

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.8; GERMANY DM2.8; ITALY L.586; NETHERLANDS Fl.3.4; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.8; EIRE 15p

NEWS SUMMARY

BUSINESS
Equities
gain 10;
sterling
up 1.85c

● **EQUITIES** rallied in this trading. The FT 30-share index gained 10 points to 467.8. **Breweries** recorded an above-average rise after the Price Commission report, Page 7.

● **GILTS** recouped earlier losses to close unaltered on balance.

● **STERLING** rose 1.85 cents to \$1.8330, with its trade-weighted index up to 61.4 (61.2). The dollar's depreciation widened to 5.51 (4.85) per cent. after the record U.S. deficit with Japan last month.

● **GOLD** rose \$2½ to \$170½.

● **WALL STREET** was 6.67 lower at 830.30 towards the close.

● **TARMAC GROUP'S** losses arising out of two contracts undertaken by Cubitts Nigeria, will be nearer £16m. than the £12m. originally forecast. Page 30.

● **INFLATION ACCOUNTING** proposals which go beyond the Hyde guidelines are being considered by senior members of the accountancy profession. Page 7.

● **ROLLS - ROYCE** formula thrashed out by ACAS to end a month-long stoppage at two Coventry aero-engine plants will be put to the men today.

● **TRADE UNION** target of a 35-hour working week could threaten economic recovery and the fight against inflation, says an Employment Department report. Page 11.

● **SCOTLAND'S** three big clearing banks are to experiment with opening at lunchtime in a limited number of branches.

● **LEYLAND VEHICLES**, the BT truck and bus division, is to lose its marketing director, Mr. Allen Russell, after only one year in the job.

● **WILSON COMMITTEE** is to bring forward publication of a report on the financing of small companies to speed the introduction of Government measures designed to help them. Page 7.

● **GEORGE WIMPEY** pre-tax profits last year were a record £51.7m. (£44.4m.). Page 27 and Lex.

● **VICKERS** pre-tax profits last year fell £13.2m. to £25.0m. after the nationalisation of its aircraft and shipbuilding interests. Page 26 and Lex.

● **GENERALE OCCIDENTALE**, French company, has bought a majority stake in the L'Espresso magazine publishing group.

● **Eleven new posts** in Hong Kong's troubled police force are to be filled by a former British Army officer and senior police officers from Britain.

● **Marshall of the RAF Sir Neil Cameron**, Chief of Defence Staff, began a week of visits to Chinese Army, Navy and Air Force units.

● **John Ehrlichman**, 53, a former Nixon White House aide, was released from jail in Arizona after serving 18 months for his role in the Watergate scandal.

● **Shooting** shot and wounded a 55-year-old exchange manager, Mr. Henry, Co. Down. The man was thought to have been a former member of the Ulster's Territorial Volunteer Reserve.

● **Manorcroft**, a former Conservative Minister, is to break a 10-year silence on his removal from the Board of Norwich Union after Arab Boycott Office pressure. Page 12.

● **Mr. Robert Maxwell**, Pergamon Press chairman, is to publish the memoirs and speeches of Mr. Leonid Brezhnev, Soviet President.

● **Eleven new posts** in Hong Kong's troubled police force are to be filled by a former British Army officer and senior police officers from Britain.

● **Marshall of the RAF Sir Neil Cameron**, Chief of Defence Staff, began a week of visits to Chinese Army, Navy and Air Force units.

● **John Ehrlichman**, 53, a former Nixon White House aide, was released from jail in Arizona after serving 18 months for his role in the Watergate scandal.

● **Shooting** shot and wounded a 55-year-old exchange manager, Mr. Henry, Co. Down. The man was thought to have been a former member of the Ulster's Territorial Volunteer Reserve.

● **Manorcroft**, a former Conservative Minister, is to break a 10-year silence on his removal from the Board of Norwich Union after Arab Boycott Office pressure. Page 12.

● **Mr. Robert Maxwell**, Pergamon Press chairman, is to publish the memoirs and speeches of Mr. Leonid Brezhnev, Soviet President.

● **Eleven new posts** in Hong Kong's troubled police force are to be filled by a former British Army officer and senior police officers from Britain.

● **Marshall of the RAF Sir Neil Cameron**, Chief of Defence Staff, began a week of visits to Chinese Army, Navy and Air Force units.

● **John Ehrlichman**, 53, a former Nixon White House aide, was released from jail in Arizona after serving 18 months for his role in the Watergate scandal.

● **Shooting** shot and wounded a 55-year-old exchange manager, Mr. Henry, Co. Down. The man was thought to have been a former member of the Ulster's Territorial Volunteer Reserve.

● **Manorcroft**, a former Conservative Minister, is to break a 10-year silence on his removal from the Board of Norwich Union after Arab Boycott Office pressure. Page 12.

● **Mr. Robert Maxwell**, Pergamon Press chairman, is to publish the memoirs and speeches of Mr. Leonid Brezhnev, Soviet President.

Further tax cuts likely as Tories spell out demands

By RICHARD EVANS, Lobby Editor

The prospect of further cuts in both the standard rate and higher rates of income tax rose yesterday when the Conservatives unveiled proposals for changes in the Finance Bill essentially similar to those proposed by the Liberals and Scottish Nationalists.

Sir Geoffrey Howe, Shadow Chancellor, announced that the Opposition would propose four major changes to the Finance Bill, including a 1p reduction in the standard rate, costing £485m. in the current financial year.

The figure, although costing the Treasury at over £500m. in a full year, came as something of a relief to Ministers who had feared that the "hawks" in the Shadow Cabinet might seek to promote much higher tax cuts.

The initial reaction at Westminster was that some cuts look probable during the Committee stage of the Finance Bill, particularly a 1p reduction in standard rate, but they are not likely to be on a scale that would wreck the Government's economic strategy.

Both Government and Opposition MPs believe that although there will be some brinkmanship over the coming weeks, there is little sign that Mr. Callaghan will be forced into a summer election over the Finance Bill.

He would probably accept the £370m. cost of cutting the standard rate and possibly some alteration in higher rate bands.

At the same time the Government faces a militant campaign by its own industrial workers who are pressing for special treatment in the wake of the 14 per cent. rise just announced for the Armed Services.

The campaign was launched yesterday by the Transport and General Workers' Union, which claims to represent about 80,000 of the 175,000 workers in naval dockyards and other military establishments.

Due for a rise under the 10 per cent. limit from July 2, the union is quoting the Service men's deal, the Firemen's deal and others as ammunition for a forward commitment on pay and conditions. It wants another wage deal on April 1 next year, regardless of any 12-month rule.

To bring the guidelines into line with white-collar civil servants and other public sector employees.

Armed with thousands of wage slips showing take-home pay of under £40 a week, the union is holding a 24-hour lobby of Parliament on May 10. House of Commons catering staff and Ministers' drivers are expected to stop work that afternoon.

An Early Day motion was put down by TGWU-sponsored MPs yesterday calling on the Government to honour previous promises to industrial civil servants.

Voting on the power workers offer was 41,626 to 41,076.

Mr. Frank Chapple, of the Electrical and Plumbing Trades Union, said the result showed the amount of discontent in the industry.

The offer raises earnings by 10 per cent. On top there are new payments of £2 to £2.44 a week under the existing productivity scheme, plus £3.60 all round for a new self-financing productivity scheme. The offer could be worth between £10 and £15 a week, and some individuals, it is claimed, will get a 21 or 22 per cent. rise.

The main reason is that these sales are greatly dependent on the existence of a strong support network, both for maintenance of machines and development of software for particular applications.

Fujitsu's new agreement with Siemens follows establishment of a successful partnership with the Andahli Corporation of the U.S.

position in sales of large machines, has proved a formidable competitor.

Fujitsu's large computers will add conveniently to Siemens' existing range, because it is also compatible with IBM systems.

It has been clear for some time that Japan's hopes of extending computer sales in Europe could not succeed without the help of a strong European partner.

The two companies will continue their previous agreement on exchanges of technical information, and co-operate in development of software.

Siemens has not developed a large computer system of its own, concentrating on smaller to medium-sized machines.

One reason is that IBM, with 60 per cent. of the German computer market and a dominant

position in sales of large machines, has proved a formidable competitor.

Fujitsu's large computers will add conveniently to Siemens' existing range, because it is also compatible with IBM systems.

It has been clear for some time that Japan's hopes of extending computer sales in Europe could not succeed without the help of a strong European partner.

The two companies will continue their previous agreement on exchanges of technical information, and co-operate in development of software.

Siemens has not developed a large computer system of its own, concentrating on smaller to medium-sized machines.

One reason is that IBM, with 60 per cent. of the German computer market and a dominant

European Court to hear tachograph dispute

By Guy de Jonquieres

BRUSSELS, April 27.

THE BRUSSELS Commission is to take Britain to the European Court of Justice over its refusal to comply with the EEC law requiring that all heavy lorries and coaches be fitted with tachographs, the devices used to record the time spent by a vehicle in motion and at rest.

To-day's announcement follows Britain's outright rejection of an ultimatum issued by the Commission in mid-February giving it two months to put the law into effect. A similar ultimatum was sent to-day to Ireland, the only other EEC country not to have made compulsory the installation of tachographs.

The Commission will ask the court of justice to rule that Britain is in breach of its obligations under the Rome Treaty and to order it to comply immediately. The court's decisions in such matters are final and have been unfailingly obeyed in the past by governments found guilty of treaty violations.

Lawyers in Brussels believe that the Commission stands a good chance of winning its case. They point out that the grounds on which it is being brought are well tried and that the relevant facts appear to be fairly straightforward.

The tachograph law has been in force since the start of 1976 for new heavy goods and passenger vehicles, as well as for vehicles carrying dangerous goods. It was extended to cover all vehicles in these categories from the start of this year, although vehicles weighing less than six tonnes and operating within a 50-kilometre radius have been exempted until mid-1979.

The Commission opened formal proceedings against Britain last October. After failing to persuade the U.K. to move on the issue, it sent a "reasoned opinion" last February, warning that Britain had only two months left to conform with the rules.

The Government has defended its position on the grounds that it would be unwise to make the tachograph compulsory while drivers' unions remained as strongly opposed to the device as at present.

Attempts to force the issue could lead to serious industrial disruption and large wage demands which could not be accommodated within the Government's wage restraint policy.

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Canada may seek loan of \$1.29bn.

By FRANCIS GHILES IN LONDON AND VICTOR MACKIE IN OTTAWA

THE CANADIAN Government is expected to borrow at least \$1.29bn. in the international financial markets. This will take the form of a medium-term international bank loan of at least \$1bn. and of a Eurobond denominated in D-mark amounting to \$290m.

Citibank is expected to be lead manager for the credit which will be syndicated among U.S. banks and Deutsche Bank for the banks. Confirmation was not forthcoming last night from either bank's head office in New York and Frankfurt.

Pressure on the Canadian dollar has pushed it below 88 U.S. cents. At the close of trading in London yesterday it stood at 88.25 cents.

The pressure reflects the continued weakness of the Canadian economy and in particular the Government's failure to control inflation. In March, the consumer price index rose 1.1 per cent, equivalent to an annual rise of 13 per cent.

At yesterday's meeting, the Cabinet was also considering whether or not there should be an early dissolution of Parliament in preparation for elections

in late June or early July in the light of the continuing severity of the economic problems.

The terms of the borrower pay on the \$1bn. credit not indicated but a coupon rate of 4½ per cent. and a five-year maturity were considered most likely for the DM.

This bond would be the largest raised in Deutschmarks. World Bank and the EEC in past years have each raised denominated bonds of \$1,000m.

The Canadian Government borrowed heavily in the national markets in the months. Last autumn it arranged a \$1.5bn. standby credit facility with the World Bank.

The Government had a \$750m. of this total at the end of March but further draw although not confirmed officials are thought to have been since.

Earlier last month Canada floated a three-tranche \$750m. Yankee bond in the New York market.

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Canadian Cabinet discusses early poll, Page 5

Power workers accept pay deal in close vote

By CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT appears to have escaped by a hairs breadth a damaging confrontation with power workers over the 10 per cent. pay limit.

A ballot of the 95,000 workers in four unions has approved the Electricity Council's pay offer by the slenderest of majorities: 550 of the 52,700 who voted.

Although the Government and power stations had suggested the voting would be close, the result, declared yesterday, was a shock to some union leaders who had initially been confident of a substantial majority.

Unofficial action looks unlikely. Militants who led the unofficial stoppages last autumn said yesterday they would accept the verdict.

Ministers will be relieved that the most explosive of the Phase Three wage negotiations have ended with support for a deal with the guidelines, although productivity payments raise the total value of the offer to around 18 per cent.

At the same time the Government faces a militant campaign by its own industrial workers who are pressing for special treatment in the wake of the 14 per cent. rise just announced for the Armed Services.

The campaign was launched yesterday by the Transport and General Workers' Union, which claims to represent about 80,000 of the 175,000 workers in naval dockyards and other military establishments.

Due for a rise under the 10 per cent. limit from July 2, the union is quoting the Service men's deal, the Firemen's deal and others as ammunition for a forward commitment on pay and conditions. It wants another wage deal on April 1 next year, regardless of any 12-month rule.

To bring the guidelines into line with white-collar civil servants and other public sector employees.

Armed with thousands of wage slips showing take-home pay of under £40 a week, the union is holding a 24-hour lobby of Parliament on May 10. House of Commons catering staff and Ministers' drivers are expected to stop work that afternoon.

An Early Day motion was put down by TGWU-sponsored MPs yesterday calling on the Government to honour previous promises to industrial civil servants.

Voting on the power workers offer was 41,626 to 41,076.

Mr. Frank Chapple, of the Electrical and Plumbing Trades Union, said the result showed the amount of discontent in the industry.

The offer raises earnings by 10 per cent. On top there are new payments of £2 to £2.44 a week under the existing productivity scheme, plus £3.60 all round for a new self-financing productivity scheme. The offer could be worth between £10 and £15 a week, and some individuals, it is claimed, will get a 21 or 22 per cent. rise.

The main reason is that these sales are greatly dependent on the existence of a strong support network, both for maintenance of machines and development of software for particular applications.

Fujitsu's new agreement with Siemens follows establishment of a successful partnership with the Andahli Corporation of the U.S.

position in sales of large machines, has proved a formidable competitor.

Fujitsu's large computers will add conveniently to Siemens' existing range, because it is also compatible with IBM systems.

It has been clear for some time that Japan's hopes of extending computer sales in Europe could not succeed without the help of a strong European partner.

The two companies will continue their previous agreement on exchanges of technical information, and co-operate in development of software.

Siemens has not developed a large computer system of its own, concentrating on smaller to medium-sized machines.

One reason is that IBM, with 60 per cent. of the German computer market and a dominant

position in sales of large machines, has proved a formidable competitor.

Fujitsu's large computers will add conveniently to Siemens' existing range, because it is also compatible with IBM systems.

It has been clear for some time that Japan's hopes of extending computer sales in Europe could not succeed without the help of a strong European partner.

The two companies will continue their previous agreement on exchanges of technical information, and co-operate in development of software.

Two months

The tachograph law has been in force since the start of 1976 for new heavy goods and passenger vehicles, as well as for vehicles carrying dangerous goods. It was extended to cover all vehicles in these categories from the start of this year, although vehicles weighing less than six tonnes and operating within a 50-kilometre radius have been exempted until mid-1979.

The Commission opened formal proceedings against Britain last October. After failing to persuade the U.K. to move on the issue, it sent a "reasoned opinion" last February, warning that Britain had only two months left to conform with the rules.

The Government has defended its position on the grounds that it would be unwise to make the tachograph compulsory while drivers' unions remained as strongly opposed to the device as at present.

Attempts to force the issue could lead to serious industrial disruption and large wage demands which could not be accommodated within the Government's wage restraint policy.

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Continued on Back Page

Fujitsu-Siemens computer deal

By JONATHAN CARR IN BONN AND MAX WILKINSON IN LONDON

FUJITSU, the leading Japanese computer company, is preparing to provide direct competition for replacement and extensions in IBM installations.

Siemens, which has had reciprocal agreements with Fujitsu for many years, announced yesterday that it is to market the largest of the Fujitsu Facom M series computers. In exchange Fujitsu is to include Siemens' high-speed, non-impact printers in its systems.

The two companies will continue their previous agreement on exchanges of technical information, and co-operate in development of software.

Siemens has not developed a large computer system of its own, concentrating on smaller to medium-sized machines.

One reason is that IBM, with 60 per cent. of the German computer market and a dominant

position in sales of large machines, has proved a formidable competitor.

EUROPEAN NEWS

E. Germany: raising the efficiency of go-slow workers

BY LESLIE COLTIT IN BERLIN

EAST GERMANS are being told that if they want to continue enjoying higher living standards and greater social benefits they will have to work more efficiently and turn out better products. The message is often couched in terms of "Socialist rationalisation, intensification, and Socialist competition" but East Germans are getting the idea.

An East Berlin woman who works in a state wholesale company explains: "You can roll out of bed any day and have the choice of a dozen jobs. I have one which is planned as an 8-hour job, but I finish in five hours."

A 17-year-old East German toolmaker says he earns 914 marks (at the official rate £228) a month and overfulfils the

required work norm. "It's easy, you don't have to strain yourself," he says, adding that he works in the evenings as a waiter, "mainly for the tips."

A chronic labour shortage and the legacy of the early post-war years when workers were paid little and expected to produce just as little has created workers who are used to setting their own pace. This approach now has to go, and one of the problems of the East German communist leadership is making this clear while it worries about the possible reaction of the workers.

"We can only consume what we have first produced," the Communist Party leader and President, Herr Erich Honecker, has said, appealing to the thrifty strain in East Germans. He has stated that there has

been a "basic change in foreign trade conditions for our development." He meant that both Western and Soviet energy and raw materials have become dearer.

Financing the 90 per cent. of East Germany's imported energy and raw materials from the Soviet Union requires a greatly "increased" value of exports, Herr Honecker told the people. Paying for imports of badly needed western technology, he says, requires "more saleable exports."

"Export production must be more forcefully organised for the non-Socialist economic area," President Honecker said, noting that "our customers increasingly demand higher quality goods—investment goods with the latest technology." The problem is that

East German exports consist largely of manufactured goods with dated technology such as the revolving tower cranes which East Germany is forced to sell in the West at a low price because the electrical equipment has to be installed by Siemens. Similarly East German textiles and china are commanding lower prices in the West than products from the Far East at a time when East German industrial wages have risen to an average 950 marks a month.

In order to overcome great lags in research, development and production of new products, Herr Honecker recently cited as a praiseworthy example the East German industrial combines which, he said, were "offering increasingly successful competition to capitalist concerns."

More individual enterprises are to be vertically merged into combines which are to span the entire production process including research and development, rationalisation and exporting.

Shortly afterwards the chief executive of one of the leading East German combines, Carl Zeiss Jena, Dr. Wolfgang Biermann, was given an entire page in the communist newspaper, Neues Deutschland, to outline his recipe for economic success. Herr Biermann, who is a member of the party's Central Committee, praised Herr Honecker for noting that economic growth must "flow from the creative potential of our people," but he otherwise avoided obscure language.

Dr. Biermann noted that his combine has raised output in two

years by 21.4 per cent. without increasing the labour force. This must be an achievement in East Germany where, as Herr Honecker noted, 3,500 jobs have been eliminated in the chemical industry in the past five years while 17,000 were newly created.

At Zeiss, Dr. Biermann said, 30 per cent. of all products "help to set international standards and 70 per cent. comply with them." Average development time for a product is 30 months. As an example of Carl Zeiss's success in exporting, the construction of a Zeiss observatory complex in Iraq.

East Germans who know about industrial management say that Herr Biermann has used Western techniques to achieve results at Zeiss. He took over the combine at a time when one of its most costly projects, a multispectral photo reconnaissance camera for use in the Soviet Soyuz 22 space mission, was far behind schedule. Under the new map, the camera was completed in 18 months.

Herr Biermann reputedly offers his top executives "unplanned" salary increases of 3,000-4,000 Marks if they can deliver: if not they have to go. Such methods are criticised by some East Germans as "capitalistic" because the typical combine manager is a man who is thought of as someone content to leave his people alone and intent upon avoiding unnecessary aggravation.

Responsible

Another East German described the prevailing attitude of his countrymen who occupy responsible industrial positions in an interview with the communist newspaper for young people. "They deal with each other at meetings and conferences in a cool, objective and aloof manner. They play according to the rules, overlooking what should not be seen and avoiding confrontations. What remains is the real person who grows flowers at home and is building a dacha (cottage) and applying all his talents at home."

This over-cautious attitude, one East German factory director says, is not limited to managers but is also found, not surprisingly, "among production workers." Many East Germans say it is the result of too much ideology pouring forth from many high administrators.

Last week another article in Neues Deutschland also received a full page. The author, a district party secretary, dealt with the economic problems of his country with sheer Communist faith. He noted that his administration wants further to increase residents to Ust-Ilimsk over the next 20 years and keep them; if work and the strength of the best planners can do to combat the sense of isolation in Siberian cities is to advocate the development of distant regional centres and the housing stock still consists in the year 2000 of the kind of barrack-room approved by Soviet planners with facilities housing workers in the notion of "regional centres Bratsk 4-to-day."

It may be assumed that even high Siberian wages will not be enough to attract 300,000 new residents to Ust-Ilimsk over the next 20 years and keep them; if work and the strength of the best planners can do to combat the sense of isolation in Siberian cities is to advocate the development of distant regional centres and the housing stock still consists in the year 2000 of the kind of barrack-room approved by Soviet planners with facilities housing workers in the notion of "regional centres Bratsk 4-to-day."

Norwegian Barents oil ban offer to USSR

By Fay Gjester

OSLO, April 27

THE POSSIBILITY of banning oil activity in some parts of the Barents Sea for a limited period was suggested by Norway to Russia during negotiations two years ago about continental shelf boundary. Norwegian Foreign Minister has confirmed.

The Norwegians appear to believe that this might make it easier for the Soviet Union to accept a boundary based on the median-line principle which would lie further east than one drawn according to the Russian-favoured principle.

The talks ended in deadlock however and the final communiqué did not mention any such moratorium had been suggested. That it has been revealed in a recently-published book, Norwegian oil policy by John C. Austland, a retired embassy official.

The ministry press release says the moratorium was suggested as a possibility during the talks. Oslo in December 1976. It was to have applied only for a limited time and only to a limited area on either side of the continental shelf boundary.

The official statement does not say how long it envisaged to last or how far an area would have been affected. It stresses however that the whole idea was conditional on final agreement being reached about the shelf boundary.

Renewed Soviet-Norwegian talks on the boundary question held in Moscow in June 1977, also failed to produce an agreement. Thereafter, the two countries concentrated reaching a provisional agreement to regulate fisheries in the area.

This past—the controversial "grey zone" agreement—was finally signed in Oslo in January. It contains a clause stressing that it is purely temporary and that it does not prejudice either country's boundary claims.

Tests of four wells on the field in Norway's sector of the North Sea show results well over previous estimates as well above the average for the nearby Ekofisk field.

A spokesman for Phillips Petroleum, the operating company, said that under favourable circumstances the field could produce up to 60,000 barrels a day. This could be raised to 75,000 barrels a day, a fifth well now being drilled. The field is now expected to come on stream in June.

Siberian testing ground for Soviet urban planners

BY DAVID SATTER, RECENTLY IN SIBERIA

ON THE snowy bank of the Angara River, future site of the new Siberian city of Ust-Ilimsk, traffic is moving now on an avenue lined with thick forest on one side and rows of modern apartment buildings on the other.

This is a tangible sign of progress for the city which affords views of young mothers entering a new shopping centre in the middle of a clump of pines, bulldozers clearing paths through the virgin forest and clusters of cranes at the sites of future kindergartens, clinics and schools.

Ust-Ilimsk is now the focus of the Soviet effort to build a modern and habitable city quickly and from scratch in the heart of the Siberian wilderness. As such, it is a kind of testing ground for Soviet urban planners anxious to develop means of attracting population to cold, remote areas where much of future Soviet economic development is to be concentrated.

The need to guarantee workers for Siberian industry is a serious

challenge. Unlike cities in other parts of the country, Siberian cities are seen as self-contained productive units tied to energy sources and deposits of raw materials. Like other new cities, they lack an established social structure but the effects of geographical isolation are magnified for Siberian city dwellers by the lack of economic or social connection with other centres.

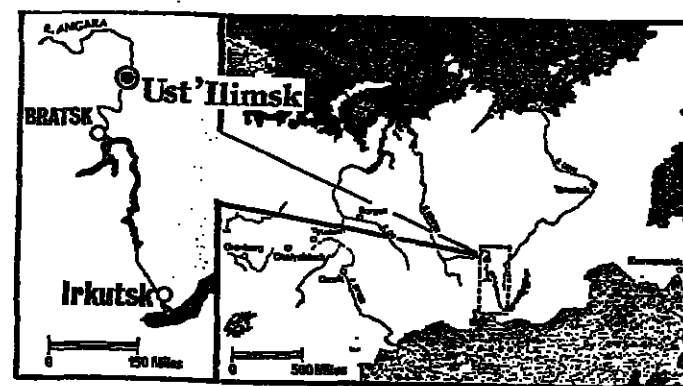
The sense of isolation, in turn, is aggravated by the poor standard of housing which reflects the nationwide housing shortage and the extra expense of construction in Siberian conditions. Separate bureaucracies often plan for the productive enterprises such as blocks of flats, clinics and schools. Productive enterprises have priority with the result that good Siberian working conditions at big pay are often coupled with impossible living conditions.

This leads in turn to a high population turnover as workers come to Siberia from other parts of the USSR to earn extra money and then return home.

It is hoped that it will be possible to break this cycle in Ust-Ilimsk and the new city going up on the right bank which is already home to 10,000 people, resembles a well planned, wooded university campus. The new quadrangled blocks of flats are being grouped in "microregions" with stands of birch and pine trees left in the courtyards and shopping centres set up at the junctures of several quadrants, making it easier for people who come to Ust-Ilimsk from all parts of the Soviet Union to meet.

On the left bank of the Angara River, in the shadow of the powerful Ust-Ilimsk dam, the "builders' village" made up of tall brick dormitories and wooden barracks and shacks is still home to 80,000 people, many of them engaged in construction of the new city and the giant Ust-Ilimsk cellulose complex on the right bank.

The construction of Ust-Ilimsk is presently a focus of Siberian urban development but it has long antecedents at the most northerly major point of the



"Angara Cascade," a set of Siberian industrial centres on the Angara River, whose development was tied to hydropower.

The development of Ust-Ilimsk was based on the construction of the Ust-Ilimsk dam which in turn, received energy from the Bratsk. Ust-Ilimsk is to be a major industrial centre. Mr. Leonid Alexeev, Ust-Ilimsk's Deputy Mayor, said the city's

on which cities like Ust-Ilimsk and Bratsk can draw. For the cities of the Angara Cascade, including the new cities of Zheleznogorsk and Sayansk, which are based on iron ore exploitation and fertilizer production respectively, the regional centre is to be Irkutsk, which has a population of 540,000.

The residents of Ust-Ilimsk are not, however, in a position to use Irkutsk's cultural resources. The bus trip from Ust-Ilimsk to Bratsk takes four hours and it is another ten hours by road to Irkutsk when the roads are passable. Hydrofoils ply the Angara in the summer but the only link is air travel, which in the Soviet Union invariably involves advance booking and long delays.

Bratsk, 300 miles away from Ust-Ilimsk, gives a better picture of the state of Siberian development efforts. Bratsk is spread out because separate plants were built around various industrial enterprises. The central section of Bratsk, which is what is shown to visitors, makes a favourable impression.

Bratsk, however, has not solved the problem of inadequate social facilities and housing. Mr. Alexeev spoke confidently of the extensive facilities including a future sports complex on the shore of the Angara and indoor cafes and restaurants which, with pay bonuses, are expected to attract workers to Ust-Ilimsk.

The success of Ust-Ilimsk, and other Siberian cities, in becoming stable communities will depend on the general success of Soviet urban planning for Siberia. Unfortunately, the two basic problems of isolation and shortage of adequate housing have not been solved.

The problem of isolation in a city like Ust-Ilimsk where residents complain that there is literally nothing to do is answered by Soviet planners with the notion of "regional centres Bratsk 4-to-day."

Fly to the Big Country with Braniff's new low fares.

The only non-stop from London to Dallas-Fort Worth, gateway to America's Big Country. 747 daily. Leave: 11.45am. Arrive: 3.05pm.

No other airline comes within sight of it. The only 747 daily service to America's Southwest from Britain, the only non-stop service from London Gatwick to Dallas-Fort Worth—and now at prices that turn one of the most exciting regions in the world into a practical proposition.

THE DALLAS-FORT WORTH GATEWAY

Dallas-Fort Worth is the newest gateway to America's Big Country, the great states of the Southwest, West, South and Mid-America. Arrival time accommodates connecting Braniff flights to major cities throughout the Big Country and Mexico. For example:

BRANIFF LOW FARES - LONDON/DALLAS-FORT WORTH			
FARE CLASSIFICATION	FARE*	CONDITIONS	
First Class	One Way £398.00 Return £796.00	None	
Economy	One Way £215.50 Return £431.00	None	
Advance Purchase Mon-Thur	£235.50	Reservations made and tickets purchased 30 days prior to date of travel	
Excursion Fare Round Trip	Fri-Sun £246.50*		
Budget	One Way £78.00 Return £182.00	Reservations made and tickets purchased 21 days prior to week of travel. Braniff will give you 7 days notice of actual day of departure	
Standby	One Way £78.00 Return £182.00	Pay for your ticket on day of departure up to 2 hours before flight departure	

*When travelling from London to Dallas-Fort Worth on Sat. or Sun., and from Dallas-Fort Worth to London on Fri. or Sat., add weekend surcharge of £3.00 each way.

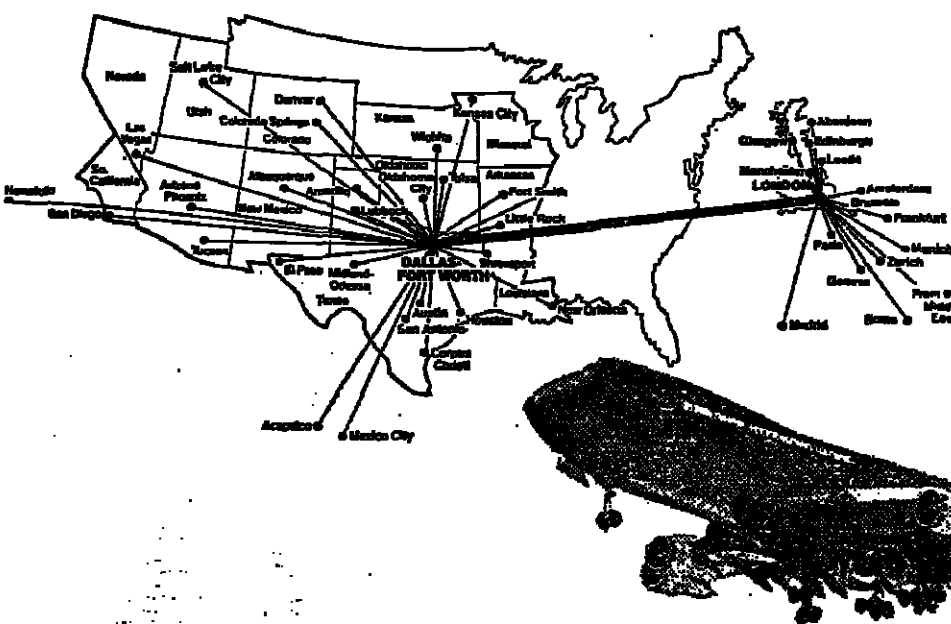
†During the period 1st July-30th Sep, peak season rates apply to Economy, Apex and Budget Fares.

Leave London Gatwick 11.45am
Arrive Dallas-Fort Worth 3.05pm
Houston 5.50pm
San Antonio 5.45pm
Oklahoma City 5.00pm
Tulsa 5.10pm
Denver 5.30pm
Kansas City 6.40pm
Mexico City 7.50pm

RESERVATION SERVICE
For flight schedules and reservations (including seat assignment) call your travel agent or the Braniff reservations centre in London 01-491 4631.

Aberdeen
Birmingham
Edinburgh
Glasgow
Liverpool
Manchester
Sheffield

In these cities
Dial 100 and
ask Operator
for Freephone
2276.



BRANIFF INTERNATIONAL

Mainland USA, Alaska, Hawaii, Mexico, South America and Europe.

What's the TD Bank doing in Europe today?



Living up to its reputation.

Toronto Dominion is a Canadian bank which has been building its reputation in Europe for over 60 years. A reputation that is based on our ability to interpret the current business environment and our experience in arranging major sophisticated financial transactions for a wide variety of customers.

Through our global network of over 980 branches, we can arrange Euro-currency financing, term loans for capital expansion or consortium financing for

large scale projects. Regardless of the size or nature of your requirements, we have the stability and resources required to act effectively. And to every customer we bring the experience gained in 120 years of successful banking.

Discuss your financial plans with us and put our reputation to the test. Toronto Dominion. Financial partner with corporations, governments and banks.



TORONTO DOMINION BANK

where people make the difference

World-wide assets exceed CAN \$18-billion. Head office—Toronto-Dominion Centre, Toronto, Canada. Regional Office—Europe, Middle East and Africa: St. Helen's, 1 Undershaft, London EC3A 8HL. Telephone 01-283-0001

OTHER INTERNATIONAL OFFICES
Frankfurt New York San Francisco Houston Los Angeles Chicago Singapore Hong Kong Jakarta Bangkok Taipei Tokyo Mexico City Panama Sao Paulo Beirut Abu Dhabi Tehran

Living costs up 0.9% in France during March

By DAVID CURRY

PARIS, April 27.

THE COST of living rose sharply in France in March and substantial increases are likely to continue well into the summer as the government implements its policy to raise prices in the public sector.

The rise in March was 0.9 per cent, according to the government, the impact of the devaluation of the franc on food prices. It follows an 0.7 per cent rise in January and a 0.3 per cent rise in February.

The Government recognises that it is deciding to move away from a more liberal system of economic management, notably by progressively releasing industry from price controls, and by putting the public sector to charge more, it must inevitably pay the price in terms of cost of living increases.

It is hoping that the worst will be borne before the holidays and that the remainder of the year will see a gradual slow-down in the pace of inflation. However, the extent to which this happens will depend on the speed with which industrial prices are liberated after July and on the Government's success in holding the line on wages and preventing increases to the lowest paid, provoking higher wages through-out the salary scale.

In all events, it thought the Government is hoping to get away with 10 per cent on the cost of living over the year and will interpret anything less than 12 per cent as a success, in light of the long-term strategy of putting the economy on a sounder basis.

Schmidt rules out tax cuts to boost German economy

By JONATHAN CARR

BONN, April 27.

CHANCELLOR HELMUT Schmidt has moved to try to ensure that if a further boost to the economy is required later this year, the direct effect will be the creation of jobs, rather than the loss of them.

In taking his stand, Herr Schmidt has ruled out tax cuts as a means of achieving an economic stimulus—a measure advocated by some of the country's leading economists.

He has bluntly told members of the parliamentary group of his Social Democrat Party (SPD) that several of their wishes in the field of social legislation, desirable in themselves, are unlikely to be possible because of lack of funds.

In an address to the group, Herr Schmidt explained in detail that the State faced extra expenditure which was virtually unavoidable in the relatively near future. He mentioned, among other things, aid for domestic coal, bigger payments to

Italian executive shot by terrorists

By DOMINICK J. COYLE

ROME, April 27.

ITALY'S ULTRA-LEFT terrorist group, the Red Brigades struck again today, claiming responsibility for the shooting in Turin this morning of Sig. Sergio Palmieri, an industrial relations executive of the Fiat Motor company.

Sig. Palmieri was shot in the legs close to his home in the city's Mirafiori district.

To-day's attack is the latest in a series of terrorist assaults against Fiat personnel, and the Red Brigades gangs now give the appearance of being able to operate almost anywhere in any part of the country despite the continued security operation following the kidnapping of former Prime Minister Sig. Aldo Moro.

The Red Brigades still have not commented through their normal communiques on the Government's refusal to release 13 prisoners in exchange for Sig. Moro. And the authorities have no indication as to whether the former Premier is still alive or whether he has been "executed" following the rejection of the terrorists' demands.

Swiss control on monetary co-operation

BERNE, April 27.

HERR FRITZ LEUTWILER, president of the Swiss Central Bank, warned today against expecting too much from renewed attempts to strengthen European monetary co-operation.

He told the Bank's annual meeting it was not possible simply to decree exchange rate stability without first dealing with the fundamental causes of exchange rate unrest.

The U.S. dollar could not be forgotten in such co-operation, he said, and it would be necessary to seek the co-operation of the U.S. and the oil producing countries.

Herr Leutwiler also told the meeting that the Bank was maintaining its strict application of the ban on sales of domestic securities to non-residents. While the Bank and the Government would like to dismantle their defences against capital inflows, foreign exchange market conditions were still too volatile and any softening would set the Swiss franc on an upward trend again.

He said that Switzerland's current account payments surplus could rise to Sw.Frs.9bn. this year from an estimated Sw.Frs.3.3bn. in 1977. This would be the second largest surplus among industrialised nations, exceeded only by that of Japan.

OECD oil consumption up

By ROBERT MAUTHNER

PARIS, April 27.

OIL CONSUMPTION in the fourth quarter of last year totalled 44.5m. tons. Of this the U.S. accounted for 19.3m. tons, a year-on-year drop of 0.6 per cent, and the European Community 12.1m. tons, a decline of 2.7 per cent, compared with the same period of 1976.

Japanese consumption, however, increased by 0.4 per cent, to 61.3m. tons during the last quarter.

At the same time, OECD net crude oil imports during the same period fell by 2.6 per cent to 30.5m. tons against 31.6m. tons for the last quarter of 1976. This decline in imports was compensated for by a production increase of 8.8 per cent in the OECD area, which also permitted the continued build-up of crude oil stocks from 156.2m. tons at the end of the third quarter to 163m. tons at the end of 1977.

Product stocks were maintained at a substantially higher level last year than in 1976, closing the year at 248.5m. tons, compared with 218.2m. tons at the end of 1976.

Saudi Arabian exports to the OECD area of 74.7m. tons during the last quarter of 1977 remained relatively stable, declining by only 0.9 per cent from the fourth quarter of 1976. On the other hand, oil supplies from Iran dropped by as much as 20.3 per cent during the fourth quarter to 45.4m. tons, compared with the same period of 1976. Imports from Iraq also declined by 13.9 per cent. By contrast, imports from the Soviet Union and China increased by 27.1 per cent, and those from Algeria by 15.3 per cent.

Denmark faces fiscal restraint

By Hilary Barnes

COPENHAGEN, April 27.

DENMARK FACES a new round of fiscal restraint next year in order to ensure a continued improvement in the balance of payments, according to a report by the Economy Ministry to the Folketing (Parliament).

No increase in private consumption is expected in 1977-78, said the report, and this will help bring the payments deficit down from last year's Dkr.10bn. to about Dkr.7.5bn. But to prevent a new deterioration next year, tax increases of the order of 2 per cent, increase in VAT (now at 18 per cent) will be required. Under these conditions private consumption in current price terms will rise by about 2 per cent.

The report said unemployment will remain at a high level and will probably stay at around 200,000 or 8 per cent of the labour force until 1980. Without a new international upswing it will remain at this level until 1985.

The Ministry's forecasts are based on the assumption that Danish wage rates will increase at an average of 2 per cent a year, less than those in Denmark's main trading partners, although in 1977 the Danish performance was in line with the other countries. A strengthened incomes policy will be necessary, the report concluded.

Swedish deficit forecast

STOCKHOLM, April 27.

SWEDEN WILL tread a hard economic road for the next five years with high fiscal budget deficits and limited increases in private consumption, Mr. Ingemar Mundebo, the Budget Minister, said as he announced the Government's long-term forecast today.

Submitting the five-year plan to Parliament, Mr. Mundebo said that Sweden will record a 41.8bn. kronor (\$8.09bn.) fiscal budget deficit in 1978-79 and may have similar deficits for the next four years.

The latest forecast would mean that Sweden's national debt will jump from S.Kr.107bn. to S.Kr.307bn. during these five years. That is S.Kr.180m. more than a Government projection only 12 months ago.

Agencies

Catalan farm boycott

Turkey to hold talks on restructuring debt

By METIN MUNIR

ANKARA, April 27.

MR. ZIYA Muezzinoglu, the Turkish Finance Minister, is to discuss the restructuring of his country's \$2.5bn. debt, and the obtaining of fresh credits with major banks in the U.S. and Europe next week, according to Central Bank sources here.

Before leaving for the International Monetary Fund (IMF) meeting in Mexico, Mr. Muezzinoglu said that at the beginning of next month Turkey would begin "peace-meal" payments for imports. No payments have been made other than for emergency imports and those of strategic

importance for the past 14 months.

The Central Bank said that \$150m. out of the \$450m. IMF stand-by loan would be used for this purpose. But payment would be made only for a list of goods needed to get industrial production "lubricated" and complete investments close to completion.

Owing to its drastic shortage of foreign exchange, Turkey has also been unable to service its debt, \$2bn. of which are in the short-term so-called convertible foreign currency deposit accounts, and the rest in bankers' credits.

Turkey has proposed that this sum be lumped together into a big loan, to be repaid over seven years with a three-year grace period. It has also asked for the syndication of \$500-600m. of fresh money to finance its 1978 programme.

The Central Bank here says that agreement in principle has been reached on both matters.

Mr. Muezzinoglu, who is accompanied by Central Bank Governor Cefir Tayyar Sadiklar, will meet presidents and chairmen of 23 banks in New

York on Monday.

Of these, eight constitute the "co-ordinating committee" brought together by Turkey to formulate the guidelines of the restructuring and the fresh loan. Involvement of all the 230 banks and corporations with stakes in the \$2.5bn. debt would be unworlky cumbersome, according to the Central Bank.

The members of the co-ordinating committee are Citibank, Chase Manhattan, Morgan Guaranty, Barclays, Deutschebank, Dresd Bank, the Union Bank of Switzerland,

and the Swiss Corporation Bank. They are among Turkey's biggest creditors, accounting for over 25 per cent of the total.

After New York, Mr. Muezzinoglu will meet bank presidents and chairmen in London and possibly in Frankfurt. The restructuring, and the new loan, are not expected to be settled at these meetings. But the Turks hope that a wider audience will enable them to establish a better understanding with their creditors and to open up new channels of communication.

Commission asks for steel industry powers

By GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, April 27.

THE EUROPEAN Commission has formally asked EEC Governments to give it specific powers to set in advance all State aids to the steel industry. This would ensure that they are compatible with the overall objectives of the Community's programme for restructuring the sector.

The chances of early action on the request are considered slight, however, because it must receive the unanimous approval of the Council of Ministers, where it seems certain to encounter strong resistance from the British, French and Italian delegations.

At present, the Commission has extremely limited authority under the Paris Treaty, governing the coal and steel industries, to regulate State aids in these sectors, which are outside the jurisdiction of the rules of competition contained in the Rome Treaty.

In an effort to impose some discipline on national policies, the Commission for Competition, Mr. Raymond Vouel, wrote to EEC Governments last year asking them to supply on a voluntary basis information on planned aids.

The Commission proposal would give it power to approve or prohibit all planned national, regional and local aids to steel,

including public finance granted to nationalised companies. The aim would be to ensure that aid schemes were of limited duration, that they were intended to promote genuine restructuring and did not cause competitive distortions.

Charles Batchelor writes from Amsterdam: Prospects for European steel makers are now brighter than in the past three years due to the success of EEC measures and to the greater restraint shown by exporters on world markets. There are also signs that European governments

are stepping up efforts to shut down excess capacity. Mr. Jan Hooglandt, the Chairman of the Managing Board of the Dutch-German steel group Estel told a Press conference here.

But while order books have lengthened slightly there is, as yet, no sign of a substantial improvement in demand and wage and energy costs are continuing to rise.

Current European price levels are still below the average 1977 level and are even below 1974 levels although costs have risen

by 30 per cent. since then. European consumers pay less than the Japanese and U.S. companies for domestic steel.

The EEC system of basis prices introduced at the start of this year has put an end to the "ruinous" competition on the European market and led to a number of satisfactory price and volume agreements with countries exporting to the EEC. This is expected to lead to steel prices in the Community cutting their losses in 1978 although they will not return to profit.

EEC urged to act on pollution

By OUR OWN CORRESPONDENT

BRUSSELS, April 27.

THE EUROPEAN Commission today entered the public debate from pollution risks.

France, which bore the brunt of the Amoco Cadiz oil spill along its Brittany coastline, has been pressing strongly for action by the Community in these areas.

The Commission's proposals for preventing and dealing with similar disasters in the future, in a working document submitted to the Council of Ministers, it calls for an early ratification of international agreements designed to tighten maritime safety regulations as well as for the adoption of specific measures to ensure better protection of EEC water

complexities and are likely to insist that the Commission's proposals be weighed carefully before any decisions are taken.

One point on which there is as yet no consensus is a Commission suggestion that EEC countries should extend their jurisdiction over coastal waters to 12 miles. France and Italy have already taken this step, but Britain and several other countries have been reluctant to do so in the absence of a broader agreement in the United Nations Law of the Sea Conference.

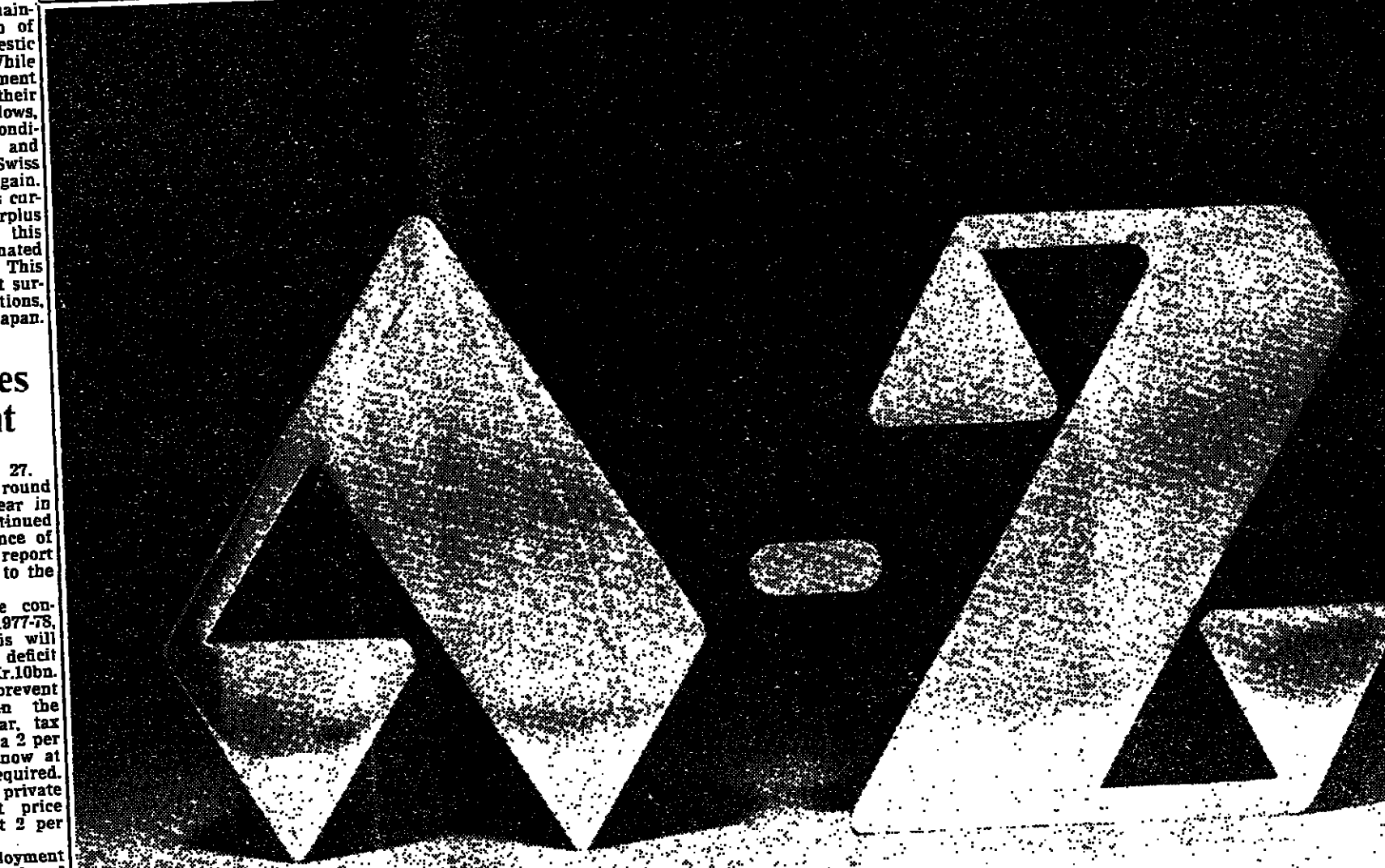
There is apparently no fixed agenda, but Mr. Jenkins is expected to go over a wide range of issues connected with Spanish entry. It is hoped here that he will be able to give some indication of the timing for the EEC decision on Spanish entry.

His arrival has been preceded by an agreement on the delicate topic of steel imports. This week worked out that means an effective cut in Spanish steel exports to the EEC of 85,000 tons this year to 900,000 tons.

Mr. Jenkins will have an audience with King Juan Carlos, and meet Sr. Adolfo Suarez, the Prime Minister, Sr. Marcelino Oreja, Foreign Minister, and Sr. Leopoldo Calvo-Sotelo, the Minister for Europe (a post created in February). The latter was in Brussels earlier this month.

There is apparently no fixed agenda, but Mr. Jenkins is expected to go over a wide range of issues connected with Spanish entry. It is hoped here that he will be able to give some indication of the timing for the EEC decision on Spanish entry.

His arrival has been preceded by an agreement on the delicate topic of steel imports. This week worked out that means an effective cut in Spanish steel exports to the EEC of 85,000 tons this year to 900,000 tons.



Abecor: Europe's largest banking group offers you a complete international banking service.

Assets of over 200 billion dollars plus the combined expertise of seven major European banks, such as Barclays in Britain, make Abecor Europe's leading international banking group.

Complete
Abecor banks can provide you with everything from economic intelligence and financial advice to every kind of credit and loan.

International
Abecor has a presence in 120 countries across 5 continents.

Service
Abecor believes its services should be made available as simply and swiftly as possible, so you usually need only contact one man. In the UK he is Mr. B. Bartlett, Barclays International Division, 168 Fenchurch Street, London EC3 3HP. Telephone 01-283 8989.

The Abecor Banks
Algemeine Bank Nederland
Banca Nazionale del Lavoro
Banque Bruxelles Lambert
Banque Nationale de Paris
Barclays Bank
Bayerische Hypotheken- und Wechsel-Bank
Dresdner Bank
Associated Members
Banque Internationale a Luxembourg
Osterreichische-Länderbank
Special Associated Member
Banque de la Société Financière Européenne

Barclays is the Abecor Bank in Britain.

Associated Banks of Europe Corporation

Europcar
to rent a car in London, Bristol, Southampton, Manchester, Glasgow, Edinburgh, Birmingham, Gatwick, Heathrow, Brighton.

01-848 3031
Or your travel agent.

And at the end of it all what do you have?

Getting to a business appointment at the other end of the country or somewhere in Europe can be a tiring, frustrating and irritating hassle. And at the end of it all you have one or more top executives who have not only wasted valuable hours in transit but are also in a far from ideal condition to negotiate and take decisions vital to the company's future.

Time is money
The alternative that more and more companies are adopting is the use of a corporate aircraft, and the choice of many is the Beechcraft Super King Air 200 C (Convertible)—a fine twin turbo-prop, fully pressurised aircraft with the facility of either 12 seater "comfortable commuter" or 6-8 seat "flying boardroom" configuration. This aircraft is well known for its ability to fly into small airfields as well as international terminals. It is economical to acquire and operate, and probably the finest aircraft in its class.

If you would like to get to your business destination in the shortest time, be able to work whilst travelling, and to step out of your aircraft just a short car journey from your appointment—you should talk to Neil Harrison at Eagle about the economics and practicality of applying one of today's most valuable business tools to your enterprise.

Eagle
Eagle Aircraft Services Ltd
Lancaster Airport, Warton, Lancs. LA1 1YD
Tel: (0527) 791111 Telex: 261502

You can save more than money with a Beechcraft "Super King Air"

OVERSEAS NEWS

OECD slams Australia over trade restrictions

BY DAVID WHITE

PARIS, April 27.

AUSTRALIA'S increasing use of trade restrictions came under fire from the Organisation for Economic Co-operation and Development (OECD) in a report published today.

Although it supported the Australian Government's domestic policies of curbing demand and limiting growth, the OECD urged an early withdrawal of "temporary stop-gap measures" which have meant slapping quotas on a quarter of the country's dutiable imports.

The saving of jobs in industries protected by these measures was offset by extra cost pressures and the threat of retaliation by other countries, the Organisation warned.

The report recommended that Australia "keep steering away from more expansionary policies in its rather bumpy economic recovery. Inflation had slowed down but not as much as had been hoped. The Organisation's prediction for this year was that inflation would slow down further from the 9 per cent annual rate registered at the end of last year to 7.5 per cent, the rate it had forecast originally for 1977.

Output might grow more this year than last, it said, but with a rather weak outlook for exports the balance of payments current account was likely to show only a slightly reduced deficit to around \$2bn, compared with \$2.4bn last year.

The export picture was affected not only by the world steel recession, which has hit coal and iron sales, but also by what appeared to be a bunching of shipments late last year and by the impact of the recent drought on farm production.

The risk of increasing the external deficit was another reason cited by the OECD for sticking by the current moderate growth policies. "These," it said, "already allowed for some expansion, and growth was likely to

Chad rebels sighted closer to capital

By Robert Mauthner

PARIS, April 27.

THE FRENCH Government has confirmed persistent reports that it has sent troop reinforcements to Chad at the request of President Félix Malloum's military Government following renewed fighting between Government and rebel National Liberation Front (FROLINAT) forces.

According to reports reaching Paris, the military situation in the former French Central African colony has deteriorated rapidly since the cease-fire, concluded under Libyan auspices at Benghazi on March 7, broke down some 10 days ago.

Reconnaissance aircraft yesterday sighted a FROLINAT column of some 100 military vehicles, only about 350 km (200 miles) north-east of Ndjamena, the Chad capital. At the same time, the rebel front has distributed leaflets in Ndjamena, calling for a two-day general strike and demonstrations from tomorrow to protest against the French military presence.

The FROLINAT leaflets threatened French nationals with reprisals for the death of a dozen Chad civilians, killed during a Government clash around the central Chad town of Salak, which was occupied by rebel troops last week. Some French Press reports said that a number of French nationals had already been beaten up in the southern Chad town of Ndjamena, and that French-owned shops had also been looted.

The French military build-up in the Central African desert country has gone hand-in-hand with the evacuation of some 300 French families from the country and many more civilians are due to be repatriated within the next few days.

The French Government spokesman was at pains to point out yesterday that the reinforcements sent to Chad numbered only a few hundred, thus bringing the strength of French troops in the country to about 1,000. Though it is stressed in Paris that French troops would not become involved in military operations, the official describes as advisers "the distinction between combatant and non-combatant forces is clearly difficult to respect on the ground."

Speaking in the National Assembly yesterday, M. Robert Galley, the French Minister for Co-operation with African Countries, stressed that France was not interfering in the internal affairs of Chad.

A REPORT FROM HO CHI MINH CITY BY K. K. SHARMA

The Saigon ways die hard

On my first day in Saigon I was accosted by a beggar though it did not happen again so I assume he must have been one of a few.

The bordellos and bars that made the city notorious before its capture on April 30, 1975 have gone but there are still prostitutes and opium addicts. These days, however, they are sent to "Make yourself Dignified" lessons.

Officials say these relics of a hedonistic past are a dying tribe and that it is only a question of time before they vanish. In any case, few people have money for such purposes.

The Vinh La Hotel near the Saigon river has painted on its exterior in bold letters "Cham-pagne and Night Club." But that is a falsehood, a relic of the past that no one has thought worthwhile erasing.

Saigon or Ho Chi Minh Ville

as the city is now called still has to recover from the trauma of the South's defeat and the eventual reunification of the country in 1975. Attempts to "socialise" the former capital of South Vietnam and indeed the South itself are making slow progress.

The authorities in Hanoi maintain that there is no attempt to force Communism down anyone's throat. In fact even in the North Communism is not of the extreme Chinese variety. A degree of private enterprise exists there. In Saigon and

the South, capitalism persists to a surprising degree.

Officials concede that the South was always more prosperous and rightly point out that it was an artificial prosperity, entirely dependent upon enormous amounts of U.S. aid. That prop having been removed, the South and more particularly Saigon underwent an upheaval from which it still has to recover especially as it was closely followed by reunification with the North where power effectively lies. But because a relative prosperity persists in the South, the region remains a variety of material and design extent. The Government is in Hanoi, but the South is really the charge of a Deputy Prime Minister whose duty it is to ensure both integration and the introduction of socialism.

Travel of Northerners to the South and to a lesser degree of Southerners to the North is allowed only for compelling reasons. This has been made effective by having separate currencies in the North and the South, neither of which is legal tender in the other. To travel, therefore, requires permission to buy what is in effect foreign exchange, and the Southern dong is not easy to come by for Northerners. It is easy to see after visits to Hanoi and Saigon why travel is not readily allowed. Life in the North has always been hard. Northerners continue to suffer privation and hardships that are inevitable because of the long wars. Shops stock few goods and a ration of essential commodities are meagre; each person is only allowed 4 metres of cloth a

year. The ration is the same in the South but there is a thriving black market which makes it easy for anyone with money to buy just about anything.

Saigon no longer can boast the latest electronic gadgets or other luxuries, but people are better fed and better clothed than in Hanoi. Women commonly wear the long skirt slit both sides from the waist down. This fetching and elegant national dress is rarely seen in Hanoi since each skirt requires more than the four metres given on the ration card. In Saigon women wear them in a colourful variety of material and design, adding cosmetics (totally unknown in the North) to match the dress.

The Government has allowed the old order to survive to a degree. Factory owners and similar capitalists who are engaged in productive activity may continue to own their establishments and to run them "provided they co-operate." Co-operate they must, because all industrial units in the South were almost entirely dependent on imported raw materials, and imports require official permits. The capitalists are allowed to see the writing on the wall as fall into line.

Socialism has still to come to the rural areas. At present just a few state farms and the New Economic Zones follow the pattern of the North. The rest is making privately owned. There is vague talk of starting "mutual aid teams," the first step towards collectivisation, but for the state the farmers remain untouched. It will be years before socialism reaches them.

China facing bad drought

By Colina MacDougall

CHINA is facing a worsening drought. Peking radio has reported an emergency meeting to plan operations, at which a vice-premier has said the situation was grave. The drought is threatening the summer wheat crop and is hampering spring sowing in the main wheat growing provinces along the Yellow and Huang rivers.

The presence of so senior an official as the vice-premier, Kang Shihben, at the meeting suggests the seriousness with which Peking views the situation. Other provinces have already reported poor spring weather, notably Kwangtung province in the south, a major rice-growing area, where cold, wet weather has affected the early crop. Kweichow, also in the south, has reported a serious drought.

The north and central provinces of Shensi and Anhwei in the wheat-growing area now affected, reported drought conditions two weeks ago, and the situation has clearly worsened since then.

The wheat-growing region has been badly affected for the past two years by long spells of dry weather.

This prolonged lack of rain led last year to China's biggest contracts ever for imported wheat.

SWAPO leadership split by detention and exile

BY QUENTIN PEEL

JOHANNESBURG, April 27.

ALL BUT FOUR of the 13-member executive committee of the South West Africa People's Organisation (SWAPO) inside Namibia (South West Africa) have been detained or have left the country. Six other leading branch officials are being held under emergency powers.

Miss Lucia Hamutenya, Secretary for Legal Affairs and one of the last executive members still at large in the country, said today that 31 SWAPO members have been detained since April 4, including four executive members. The internal leadership of the nationalist movement has therefore been effectively broken up just as the negotiations for

a peaceful settlement in the territory are coming to a head. The latest detentions have been authorised by Judge Martinus Steyn, the South African Administrator General, on the grounds that the detainees were a threat to the peaceful political process. Although he has insisted that his emergency powers, introduced last week, are not aimed at any one organisation, SWAPO officials say they are the only target.

The emergency powers were introduced after the assassination of Chief Clemens Kapuuno, leader of the Herero tribe and president of the anti-SWAPO Democratic Turnhalle Alliance.

Arab Fund first loans

BY JAMES BUXTON

THE Arab Monetary Fund will be in a position to make its first loans to Arab member states with balance of payments problems from July onwards, the chairman of the Fund, Dr. Said Nabulsi, said in Abu Dhabi after the ANF's second annual meeting.

The Fund's member states are to pay up a further 25 per cent of the Fund's capital, bringing the total paid up to 50 per cent of the authorised capital of 250m. Arab dinars by May, 1979, the Fund's governors decided. One of the Fund's members decided that they would only pay the increased subscription to the capital if the Fund disburses at least 25 per cent of the capital that has actually been subscribed.

Japan rail strike ends

BY CHARLES SMITH

TOKYO, April 27.

JAPANESE railway workers ended a national transport strike today after only two days instead of the projected four when an independent arbitration body awarded them a 5.4 per cent average wage increase.

The arbitration body, the Public Corporation and National Enterprise Labour Relations Commission (Koroi) had been called in to mediate when the dispute came to a head last week. The attempt at mediation, however, failed and Koroi was obliged to arbitrate the dispute following the rejection of its proposals by both labour and management.

Koroi apparently undertook to mediate in the wage dispute at the invitation of the rail unions

on the understanding that it would be permitted to impose a compulsory settlement as a last resort. In previous years public opinion against the rail-national railway strikes have frequently ended with arbitrated wage awards. This year appears to be the first occasion, however, on which an attempt has been made at mediation.

The early end of the strike would seem to reflect the rail of a 5.4 per cent wage award means that they have done that they had little or no chance of pushing their campaign for a wage rise in the 6.7 per cent bracket following acceptance by cent. The award is also the private railway unions of a smaller than last year's when 5.3 per cent wage award on Japan national railways agreed Monday. Little or nothing would probably have been gained by allowing the strike to run the year.

Lebanon consensus formula

By Ihsan Hijazi

BEIRUT, April 27.

THE LEBANESE Parliament today unanimously voted to uphold a national reconciliation formula which could pave the way to ending the country's political crisis and revive efforts at reconstruction.

All 75 deputies attending the session endorsed a six-point declaration of principles which had earlier been laid down by a parliamentary committee of Christian and Moslem leaders. Twenty deputies were absent including dissenters such as former Prime Minister Rashid Karami.

One of West Africa's important business centers is now home to one of America's important financial institutions.

Chemical Bank opens a Representative Office in Abidjan, Ivory Coast.

From this strategic location, Chemical Bank can now serve your interests throughout West and Central Africa. If you're doing business or wish to do business in this rapidly growing area, we have the working relationships, knowledge of local conditions and international experience you need.

CHEMICAL BANK
Alpha 2000 Building (15th fl.).
P.O. Box 1872
Abidjan, Ivory Coast
Phone: 32-73-50
Judson B. Welsh, Representative

مكازم العمل

WREXHAM ~ROOM TO GROW

Wrexham Maelor Borough offers—
The assistance of an industrial development division at all stages of development, including planning.
Help with locational problems, housing for key workers, local authority mortgages for suitable developments.
Help with statutory services, gas, water, electricity, telephones and telefax, and specialised help for small industrialists.

Every month since 1974 a new investment project has commenced in Wrexham.

Kellogg's

Mr. J. A. Adams, Managing Director while factory negotiations were taking place:

The Kellogg Company of Great Britain, in considering where to construct its new breakfast cereal factory, had to consider such factors as the problem of rapid distribution throughout the whole of the United Kingdom of relatively large quantities of finished food products: the ease of supply routes for the various raw materials in relatively large quantities: the acceptability of the area as a suitable location for a modern food plant and, of course, the availability of people to operate the factory.

Wrexham was selected because it met all of these requirements. All the necessary services to operate a large modern processing plant were laid on and, more than anything else, we liked the attitude and co-operation of the people in the community.

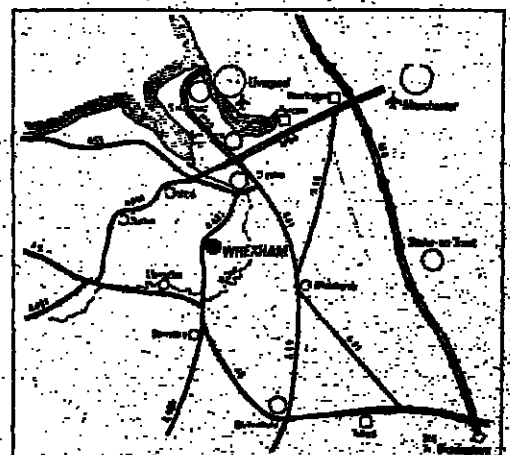
In addition to these important considerations, the financial assistance which is available due to Wrexham's location within a Development Area helped considerably in making such a project financially viable.

- Liaison service with local authority after re-location, industrial seminars on specialised topics.
- Local authority owned factory units for short and long term leasing.
- ★ EXCELLENT INDUSTRIAL RELATIONS RECORD
- ★ LARGE POOL OF SKILLED AND SEMI-SKILLED LABOUR.
- ★ RENT FREE PERIODS IN ADVANCE FACTORIES.
- ★ IMMEDIATE AVAILABILITY OF FACTORIES.
- ★ EASY ACCESS TO MAJOR MARKETS.
- ★ DEVELOPMENT AREA GRANTS.
- ★ WELSH DEVELOPMENT AGENCY ASSISTANCE

Wrexham Maelor Borough Council

The Guildhall, Wrexham, Clwyd, N. Wales
Telephone: 0978 4611 Ext. 24 R. J. Dutton
Ext. 94 D. W. Jones

0978 51282



For a colour brochure giving full details of industrial incentives at Wrexham send this coupon to the DEPUTY CHIEF EXECUTIVE OFFICER, THE GUILDHALL, WREXHAM, CLWYD, NORTH WALES. U.K. or to Mr. R. J. DUTTON or D. W. JONES AT WREXHAM 4611.

Name _____

Address _____

Company _____

Tel. No. _____

We are pleased to inform you that

LIBRA BANK LIMITED

will be moving to new premises as from the

1st MAY, 1978

The new address will be

Libra Bank Limited,
140 London Wall,
London EC2Y 5DN
England.

Telephone: 01-600 1700

Telex: 885869

Telegrams: Librabank London EC2

Australian Mine Auction

under instructions from MOUNT ISA MINES LIMITED Mount Isa Australia

UNDERGROUND MINING and MILLING EQUIPMENT

HUGE 4 DAY AUCTION
JUNE 26-29

This plant is surplus to requirements, due to replacement of No. 1 Concentrator and changes in production. Illustrated brochure will be mailed on request. Contact Mount Isa Mines Limited, Tel: 449959 or F.R. Strange Advertisers, Cables: Strange/Sydney

WINDERS
LOGS
SCOOTERS
JUMBS
GRUBBERS
MILLS
CONVEYORS
SPARES

Consider for company if you can't find it five He'd show you He'd point out the conclusion.

WORLD TRADE NEWS

China plans export-only factories

PEKING, April 27.

CHINA is eager to boost trade by opening export-only factories and producing goods under foreign brand names, a British business mission said today.

The mission, organised by the "48 Group" and representing major British companies, including Ford, British Leyland and Joseph Lucas, said China had agreed to open up its economy to foreign trade on both the home and overseas markets.

Government officials had made several suggestions for increasing trade, the mission added. China would be willing to improve packaging and presentation of goods, design products for export and Chinese factories would be encouraged to meet the demands of buyers and suppliers.

The mission said it was in a mood to experiment, the mission reported. The mission was to provide a platform for the mission to discuss and the Chinese are in a mood to experiment, the mission reported.

The mission is from the 48 group which sent the first Western trade mission to China in 1952, and has been working with the Chinese steadily since. Membership, originally 48, has now risen to about 85, and includes both importers and exporters.

The mission asked for a list of items in which China felt it was weak and the businessmen will submit their own list in return.

Mission chairman S. G. Sloan told the news conference Britain was in a particularly good position to offer China expertise and equipment in highly specialised fields including aerospace, defence, electronics and telecommunications.

He said British makers hoped to get contracts from the Chinese government for large numbers of heavy vehicles.

Adams & Gibson, Forum Way, Camlington, Northumberland; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Decester, Warwick; South Yorkshire; A.J.S. (Car Sales) Whiffler Road, Norwich; Allen Brothers, The Garage, Northcote, Farnworth, West Sussex; Allison's of

Britain has 'not more than two months' to decide on airliners

BY ADRIAN DICKS

BRITAIN has "not more than a month or two" to make up its mind whether to join in the next generation of European civil aircraft projects, a leading European aircraft industry executive has warned.

Herr Rolf Siebert, director of Deutsche Airbus, also said that the European partners believed in the need for Airbus Industrie, the consortium building the A300 European Airbus, to build and sell "as a package" the B10 version of the Airbus and the two proposed joint European transport (JET) narrow-bodied airliners.

Yesterday Herr Martin Gruener, the senior West German Government official responsible for the aerospace industry, stepped up the political pressure on Whitehall to throw in its lot with Europe rather than accept the alternative of co-operation being proffered by Boeing.

The strong impression here among European aerospace executives is that Airbus Industrie will try to go ahead with its plans, whether the British join in or not.

The Airbus Industrie company itself is riding high on the recent triumph of its sale of 23 A300s to Eastern Airlines in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

HANOVER, April 27.

Tied up with Britain's decision on the B10 is, of course, the question of its participation in the two JET projects. These two planes are now regarded as very closely linked to the B10 and to the expansion of Airbus Industrie itself as the organisation that would co-ordinate production and sales of all three.

Mr. Dan Krook, the Dutch sales director of Airbus Industrie, regards it as essential that the three types should be marketed together. This would give Europe its best chance to market a family of aircraft parallel to the new series planned by Boeing.

From this position of greatly enhanced confidence, the European manufacturers will plainly hope to see the U.K. industry throw in its lot with what, as top executives point out, would be a joint venture and not glorified sub-contractor status with which they describe the deal being offered by British Aerospace to Boeing.

Britain has complained that the terms of the European offer remain blurred on financial and work-sharing details. That is not the view at Hanover, one very senior European executive said bluntly. "We have finished negotiating. We have spelled out exactly to Britain what we are offering. It is up to the British now to respond."

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Airbus Industrie executives, as well as the West German and French Governments, still hope that Britain will participate in the B10. Should British aerospace do so, it would get a large slice of the development work including development of a new wing.

Britain's staying out, they say, would not affect the B10, if it is assumed that the first planes would be built by about 1982. VFW-Fokker, one of the present Airbus Industrie participants, has already done extensive engineering work on a new super-critical wing in the plus options for nine more, and other likely orders.

Further, the company has been greatly encouraged in its soundings for the prospects of the scaled-down B10 Airbus. Not only has Eastern taken out options for 15 aircraft of this type, but Airbus Industrie has held what it calls "very intense discussions" with United Airlines of the U.S.

It believes it is now within sight of winning 25-30 launching orders from big European airlines, which it could present to European Governments as a more certain guarantee of the project's viability than U.S. orders which, in the wake of the Eastern deal, it fears may now be subject to intense domestic political opposition.

Pressure on Eximbank over South Africa

WASHINGTON, April 27.

THE HOUSE banking committee voted to have Congress, for the first time, take legislative action against South Africa.

The committee approved a proposal to bar Eximbank credit guarantees for business activities in South Africa. This was part of a Bill extending the Eximbank for five years.

The measure was staunchly opposed by the South African Government and by some U.S. companies, such as Caterpillar Tractor, doing business there.

The Carter Administration said that while it was considering taking similar action on its own, it opposes Congress limiting the Administration's flexibility in this area.

Although Eximbank does not make direct loans to companies doing business in South Africa, there currently are close to \$200m. of such loans that are guaranteed or insured by Eximbank.

Under the measure adopted today, all future activity would have to cease unless the President determines that significant progress toward majority rule is being made in South Africa.

The ban still could be softened in the committee next week when the panel considers a proposal to allow Eximbank assistance to South Africa only if it is aimed at helping "basic human needs."

Nevertheless, Congressional sources predicted the anti-South African provision has a good chance of surviving when the Eximbank Bill reaches the House floor.

The outlook is more uncertain in the Senate, which has not yet considered the Eximbank legislation yet.

THE HOUSE banking committee voted to have Congress, for the first time, take legislative action against South Africa.

The committee approved a proposal to bar Eximbank credit guarantees for business activities in South Africa. This was part of a Bill extending the Eximbank for five years.

The measure was staunchly opposed by the South African Government and by some U.S. companies, such as Caterpillar Tractor, doing business there.

The Carter Administration said that while it was considering taking similar action on its own, it opposes Congress limiting the Administration's flexibility in this area.

Although Eximbank does not make direct loans to companies doing business in South Africa, there currently are close to \$200m. of such loans that are guaranteed or insured by Eximbank.

Under the measure adopted today, all future activity would have to cease unless the President determines that significant progress toward majority rule is being made in South Africa.

The ban still could be softened in the committee next week when the panel considers a proposal to allow Eximbank assistance to South Africa only if it is aimed at helping "basic human needs."

Nevertheless, Congressional sources predicted the anti-South African provision has a good chance of surviving when the Eximbank Bill reaches the House floor.

The outlook is more uncertain in the Senate, which has not yet considered the Eximbank legislation yet.

THE HOUSE banking committee voted to have Congress, for the first time, take legislative action against South Africa.

The committee approved a proposal to bar Eximbank credit guarantees for business activities in South Africa. This was part of a Bill extending the Eximbank for five years.

The measure was staunchly opposed by the South African Government and by some U.S. companies, such as Caterpillar Tractor, doing business there.

The Carter Administration said that while it was considering taking similar action on its own, it opposes Congress limiting the Administration's flexibility in this area.

Although Eximbank does not make direct loans to companies doing business in South Africa, there currently are close to \$200m. of such loans that are guaranteed or insured by Eximbank.

Under the measure adopted today, all future activity would have to cease unless the President determines that significant progress toward majority rule is being made in South Africa.

The ban still could be softened in the committee next week when the panel considers a proposal to allow Eximbank assistance to South Africa only if it is aimed at helping "basic human needs."

Nevertheless, Congressional sources predicted the anti-South African provision has a good chance of surviving when the Eximbank Bill reaches the House floor.

The outlook is more uncertain in the Senate, which has not yet considered the Eximbank legislation yet.

THE HOUSE banking committee voted to have Congress, for the first time, take legislative action against South Africa.

The committee approved a proposal to bar Eximbank credit guarantees for business activities in South Africa. This was part of a Bill extending the Eximbank for five years.

The measure was staunchly opposed by the South African Government and by some U.S. companies, such as Caterpillar Tractor, doing business there.

The Carter Administration said that while it was considering taking similar action on its own, it opposes Congress limiting the Administration's flexibility in this area.

Although Eximbank does not make direct loans to companies doing business in South Africa, there currently are close to \$200m. of such loans that are guaranteed or insured by Eximbank.

Under the measure adopted today, all future activity would have to cease unless the President determines that significant progress toward majority rule is being made in South Africa.

The ban still could be softened in the committee next week when the panel considers a proposal to allow Eximbank assistance to South Africa only if it is aimed at helping "basic human needs."

EEC proposes exception to tariff cut offer

BY DAVID EGLI

GENEVA, April 27.

A LIST of possible withdrawals from its original non-exceptions tariff offer was submitted by the European Community today to overall trade reductions of a Tokyo Round of multilateral trade negotiations. The Community warned that "at the present stage of negotiations" reciprocity to its earlier offer was not sufficiently assured.

With respect to the U.S., Mr. Denman remarked that although Washington had matched the level overall, there were many exceptions in the American offer. Mr. Denman frequently covering high tariff peaks. These had been counterbalanced by greater than average cuts on items that already had very low duty levels.

To-day's statement said "this general for external affairs, Sir Roy Denman, met other top level negotiators here nearly three weeks ago. At that time he complained that the Japanese offer at present tariff cut would amount to overall trade reductions of a more than 40 per cent. compared with the Community. The Japanese claim that their offer amounts to 40 per cent. is on the basis of 1972 tariffs which have since come down."

Early this month, Europeans formally invited the U.S. and Japan to improve what, after detailed study, it considered to be unsatisfactory tariff reduction offers. The present move is seen as an additional nudge to these two countries to match the European position.

The Commission's director general for external affairs, Sir Roy Denman, met other top level negotiators here nearly three weeks ago. At that time he complained that the Japanese offer at present tariff cut would amount to overall trade reductions of a more than 40 per cent. compared with the Community. The Japanese claim that their offer amounts to 40 per cent. is on the basis of 1972 tariffs which have since come down."

HOME NEWS

Engineering output declines by 0.86%

By James McDonald

OUTPUT by the engineering industries declined by 0.86 per cent between the third quarter of last year and the period November to January.

Both mechanical and electrical engineering contributed to the decline while the small instrument sector was unchanged, according to Department of Industry production indices.

A 1.5 per cent decrease in production between the two periods in the mechanical engineering sector was concentrated in a minority of industries—valves, mechanical handling equipment, and, markedly, industrial plant and fabricated steelwork—but their falls outweighed the rising trends in the remainder of the sector.

The Department comments that it is too early to say that the 15.6 per cent drop in industrial plant and fabricated steelwork indicates a real decline.

"The large values of single products in this industry can give rise to fluctuations in the sales statistics on which these series are based," it says.

Revenue up

REVENUE for independent local radio last month totalled £2,446,080, bringing the amount for the first quarter of this year to £5,960,008, a 38 per cent increase on last year's £4,333,933.

Executive earnings expected to fall

By Jason Crisp

DIRECTORS' and managers' earnings have risen by nearly 6 per cent in real terms in the last year, but can expect a fall in the current year unless there are changes in the tax rates, says the British Institute of Management salary survey.

The institute says that the average fall in managers' net pay in constant price terms since 1974 has been 17 per cent, compared with a decline of 4 per cent in the national average wage on the same basis.

"Our comment can only be that the Chancellor has deliberately ignored the opportunity to correct the imbalance of the incidence of personal income tax," the survey covered about 35,000 executives in 466 companies, and showed an overall increase in gross salaries of 13.6 per cent, which net of tax is 16.4 per cent. The average gross salary for directors rose by 12 per cent to £16,891, and for managers by 13.9 per cent to £8,136.

More than 70 per cent of the directors earned over £10,000 a year, as did 14 per cent of the managers. Nearly 2 per cent of the sample earned over £20,000, and 1 per cent over £30,000.

"This is expected to be about 15 per cent by most economic forecasters and may well turn out to be higher."

"It appears to be the turn of salaried workers other than managers to fall behind." It is thought average pay would be

up by "little over 10 per cent."

Nearly 36 per cent of the executives received a bonus. For supporting management the bonus was roughly equivalent to a month's salary. "But at director level it can be an important part of total earnings." Average bonus for chief executives equals 17.1 per cent of salary.

On fringe benefits, a general trend toward liberal holidays continued. "It is reasonable to assume that we are observing the ripple effect of holiday improvements, starting on the shop floor and working upwards through the structure."

Over half the companies surveyed gave a telephone allowance, and since 1974 there had been considerable growth in establishing closer links between home and place of business.

Only 2 per cent of companies surveyed provided free or assisted housing, which was largely confined to the financial sector, and 4 per cent gave assistance to managers with school fees.

BIM National Management Salary Survey 1978: Remuneration Economics, 51 Portland Road, Kingston upon Thames, Surrey KT1 3SH. BIM member organisations (participants) 558; (non-participants) 275; non-members £95 plus £1 p and p.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.

viewed gave a telephone allowance, and since 1974 there had been considerable growth in establishing closer links between home and place of business.

Only 2 per cent of companies surveyed provided free or assisted housing, which was largely confined to the financial sector, and 4 per cent gave assistance to managers with school fees.

BIM National Management Salary Survey 1978: Remuneration Economics, 51 Portland Road, Kingston upon Thames, Surrey KT1 3SH. BIM member organisations (participants) 558; (non-participants) 275; non-members £95 plus £1 p and p.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.

viewed gave a telephone allowance, and since 1974 there had been considerable growth in establishing closer links between home and place of business.

Only 2 per cent of companies surveyed provided free or assisted housing, which was largely confined to the financial sector, and 4 per cent gave assistance to managers with school fees.

BIM National Management Salary Survey 1978: Remuneration Economics, 51 Portland Road, Kingston upon Thames, Surrey KT1 3SH. BIM member organisations (participants) 558; (non-participants) 275; non-members £95 plus £1 p and p.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.

Industry that takes its time a'dying

By Kenneth Marston, Mining Editor

CORNWALL'S tin industry, which dates back to the days of the Phoenicians, has been described as a piece of living history.

It still survives amid the many old mine workings and abandoned surface installations in the Duchy—a reminder of the great days that came to an end in the early 1870s.

The blow that was to result in widespread mine closures and wholesale emigration of Cornish miners, "Cousin Jacks" as they later became known throughout the mining world, came with the vigorous competition provided by the strong young Australian tin industry.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.

viewed gave a telephone allowance, and since 1974 there had been considerable growth in establishing closer links between home and place of business.

Only 2 per cent of companies surveyed provided free or assisted housing, which was largely confined to the financial sector, and 4 per cent gave assistance to managers with school fees.

BIM National Management Salary Survey 1978: Remuneration Economics, 51 Portland Road, Kingston upon Thames, Surrey KT1 3SH. BIM member organisations (participants) 558; (non-participants) 275; non-members £95 plus £1 p and p.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

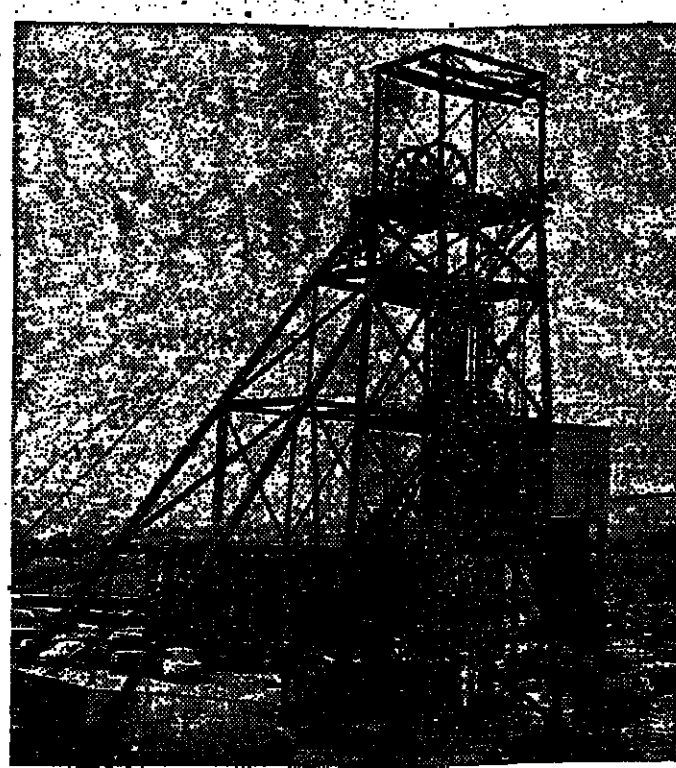
By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

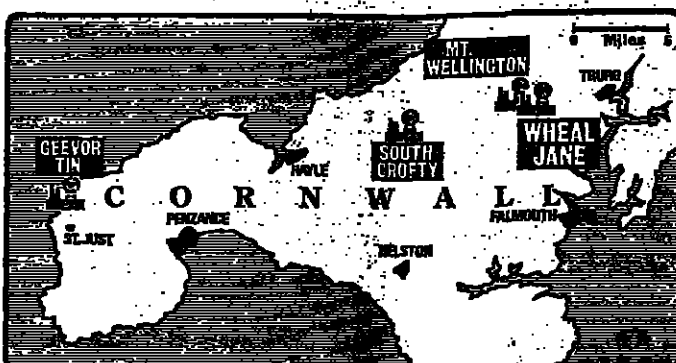
This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.



Wheal Jane: No. 2 shaft.



transport and General Workers Union wants the Government to take over the Mount Wellington pumping facilities. Neither of these possibilities can make the mines economic, even at the present satisfactory tin prices. In simple terms, the amount of tin that they have been able to recover from the fine grained and complex ore has fallen well short of its full tin content.

Old Cornish "vanners," who have the traditional skill to use the vanning shovel method of estimating the amount of tin that can reasonably be expected to be recoverable from the ore, will argue that by using modern chemical methods, the new comers have been led to over-optimistic conclusions.

The old-established South Crofty and Geevor mines are continuing to operate satisfactorily, although in the face of rising cost pressures.

New legislation is wanted on the ownership of mineral rights. Several new mining projects have been either delayed or abandoned because of the difficulty of tracing mineral owners.

Disastrous though the new mine closures are, they do not spell the end of the tenacious Cornish tin industry. Plenty of tin remains to be mined, but, as the Cornish Chamber of Mines and the Cornish Mining Development Association continually stress, that Governmental understanding of the industry's problems and active measures to help are badly needed.

Few politicians understand the problems and those who do are reluctant to act. It is pointed out, why did they fail to allow the industry's appeals against the withdrawal at the end of March last year, of the regional development grants from the mining and construction industries?

More favourable tax treatment, as offered in some other "mining" counties, is a perennial plea.

New legislation is wanted on the ownership of mineral rights. Several new mining projects have been either delayed or abandoned because of the difficulty of tracing mineral owners.

Disastrous though the new mine closures are, they do not spell the end of the tenacious Cornish tin industry. Plenty of tin remains to be mined, but, as the Cornish Chamber of Mines and the Cornish Mining Development Association continually stress, that Governmental understanding of the industry's problems and active measures to help are badly needed.

Few politicians understand the problems and those who do are reluctant to act. It is pointed out, why did they fail to allow the industry's appeals against the withdrawal at the end of March last year, of the regional development grants from the mining and construction industries?

More favourable tax treatment, as offered in some other "mining" counties, is a perennial plea.

New legislation is wanted on the ownership of mineral rights. Several new mining projects have been either delayed or abandoned because of the difficulty of tracing mineral owners.

Disastrous though the new mine closures are, they do not spell the end of the tenacious Cornish tin industry. Plenty of tin remains to be mined, but, as the Cornish Chamber of Mines and the Cornish Mining Development Association continually stress, that Governmental understanding of the industry's problems and active measures to help are badly needed.

Few politicians understand the problems and those who do are reluctant to act. It is pointed out, why did they fail to allow the industry's appeals against the withdrawal at the end of March last year, of the regional development grants from the mining and construction industries?

More favourable tax treatment, as offered in some other "mining" counties, is a perennial plea.

New legislation is wanted on the ownership of mineral rights. Several new mining projects have been either delayed or abandoned because of the difficulty of tracing mineral owners.

Disastrous though the new mine closures are, they do not spell the end of the tenacious Cornish tin industry. Plenty of tin remains to be mined, but, as the Cornish Chamber of Mines and the Cornish Mining Development Association continually stress, that Governmental understanding of the industry's problems and active measures to help are badly needed.

House builders face land record shortage

By Michael Cassell, Building Correspondent

PRIVATE house builders are finding it difficult to find suitable land for building in the next year and 1980, according to the House Builders' Federation.

Mr. Colin Shepherd, president of the federation, will at a builders' conference in Durham to-day, that shortage of land have become so acute that in many key areas builders have had to off-price, which have been approaching the boom levels of 1972-73.

He believes that the true implications of the shortage of land have become so acute that in many key areas builders have had to off-price, which have been approaching the boom levels of 1972-73.

After the collapse of the market in 1974, and other factors such as the high rate of development land tax, little new land had become available.

Planning delays and other difficulties had exacerbated the supply problem.

Unless the supply position improved rapidly in the remainder of 1978, housing output for the next two years would be severely affected.

Nationwide puts up £1.2m. finance

NATIONWIDE BUILDING Society is providing more than £1.2m. of mortgage finance in two urban renewal projects in London, writes Michael Cassell.

In one scheme, the society is co-operating with Kensington and Chelsea Council and the General Housing Association to modernise and convert premises in Cromwell Road into 48 co-ownership flats.

In the second scheme, the society is co-operating with the Housing Corporation and the National Housing Trust to convert a property in Ladbroke Grove into five flats.

This is the first property to be converted under the corporation's programme to develop a community leasehold as an alternative housing tenure.

Bus subsidy

EASTERN COUNTIES Omnibus Company, which operates services throughout East Anglia, to be given a £300,000 subsidy from a Norfolk Transport Committee towards offsetting loss of more than £569,000 during the last year.

viewed gave a telephone allowance, and since 1974 there had been considerable growth in establishing closer links between home and place of business.

Only 2 per cent of companies surveyed provided free or assisted housing, which was largely confined to the financial sector, and 4 per cent gave assistance to managers with school fees.

BIM National Management Salary Survey 1978: Remuneration Economics, 51 Portland Road, Kingston upon Thames, Surrey KT1 3SH. BIM member organisations (participants) 558; (non-participants) 275; non-members £95 plus £1 p and p.

Later this, in turn, was to be supplanted by the Malayan tin dredgers.

One of the many mines to close was the original Wheal Jane at Baidhu, some three miles south-west of Truro, "wheal" is the Cornish word for a mine—which fell silent in 1884.

Justified for a loss-making operation and so the mine's 418 employees, together with the 320 small surface plant operations, others from Mount Wellington, MP for Truro, has said: "Try to find a job centre within 40 miles of Chacewater with a single male job vacancy. Government assistance to preserve these jobs. The

By 1969 the big mining group was satisfied that it had obtained sufficient evidence of the old deposits to justify a new mining operation and the new Wheal Jane was officially opened in October 1971.

But after years of losses the mine is now to be closed. Its closure has been precipitated by a similar decision for an even more recently-developed property, the neighbouring Mount Wellington mine on the other side of the Carnon Valley.

This property, owned by Cornwall Tin and Mining, a U.S., Canadian and Swiss grouping, began production only 18 months ago and this, too, has been a failure.

Both are wet properties. Mount Wellington pumps out some 7m. gallons of water a day while Wheal Jane has to cope with a daily rate of some 41m. gallons. Old Cornish hands are not surprised by this, pointing to the probability that much of the underground inflow of water originates from the old United Mines and Consolidated Mines copper properties in the area which closed in 1870.

Whatever the case, it would cost Wheal Jane some £500,000 a year to provide the pumps. Capacity needed to deal with the Mount Wellington water. Such expenditure cannot be rising cost pressures.

KINGDOM OF SPAIN

DM 200000000

6% Bearer Bonds 1978/1988

— Stock Index No. 462 690 —

Offering price: 100 %

DRESDNER BANK

BANCA COMMERCIALE ITALIANA BANQUE NATIONALE DE PARIS COMMERZBANK
DEUTSCHE BANK MANUFACTURERS HANOVER UNION BANK OF SWITZERLAND (SECURITIES)

WESTDEUTSCHE LANDESBANK

GIROZENTRALE

ABD SECURITIES CORPORATION
ALGERIE BANK NEDERLAND N.V.
AMSTERDAM-ROTTERDAM BANK N.V.
BANCA DEL GOTTARDO
BANCO CENTRAL, S.A.
BANCO DE SANTANDER, S.A.
BANK OF AMERICA INTERNATIONAL
BANK LEU INTERNATIONAL LTD
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (S.A.)
BANQUE DE L'INDOCHINE ET DE SUEZ
BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG
BARING BROTHERS & CO., LIMITED
BAYERISCHE VEREINSBANK
BERLINER HANDELS- UND FRANKFURTER BANK
CITICORP INTERNATIONAL GROUP
CREDIT COMMERCIAL DE FRANCE
DANUBIO EUROPE N.V.
DEUTSCH-SUDAMERIKANISCHE BANK
DEUTSCHE LANDESBANK
EUROPEAN BANKING COMPANY
GOLDMAN SACHS INTERNATIONAL CORP.
GEORG HAUCK & SOHN
INDUSTRIEBANK VON JAPAN (DEUTSCHLAND)
KIDDER PEARSON INTERNATIONAL
KUFEN LOEB LEHMAN BROTHERS INTERNATIONAL
KUWAIT INVESTMENT COMPANY (S.A.J.)
MERRILL LYNCH INTERNATIONAL & CO.
NOMURA EUROPE N.V.
ORION BANK
REUSCHER & CO.
J. HENRY SCHROEDER WAGG & CO. LIMITED
SKANDINAVISKA ENSKILDA BANKEN
SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.
SVEVSKA HANDELSBANKEN
UNION BANK OF FINLAND LTD.
J. VONTOBEL & CO.
WESTFÄLISCHE BANK

AFIN S.P.A.
A. E. ARAB & CO. LIMITED
ARAB FRANCE CORPORATION S.A.L.
BANCA NAZIONALE DEL LAVORO
BANCO POPULAR ESPAÑOL, S.A.
BANCO URQUIJO HISPANO AMERICANO
BANK JULIUS BAER INTERNATIONAL
BANKERS TRUST INTERNATIONAL
BANQUE BRUXELLES LAMBERT S.A.
BANQUE INTERNATIONALE A LUXEMBOURG
BANQUE ROTHSCHILD
BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK
JOH. BERENBERG, GOSSLER & CO.
CAISSE DES DÉPÔTS ET CONSIGNATIONS
COMPAGNIE LUXEMBOURGEOISE DE LA DRESDNER BANK AG
— DRESDNER BANK INTERNATIONAL —
CREDIT LYONNAIS
DEN DANSKE BANK
DG BANK
DEUTSCHE GENOSSENSCHAFTSBANK
DILLON, READ OVERSEAS CORPORATION
FIRST BOSTON (EUROPE)
HAMMERS BANK
HESSISCHE LANDESBANK
— GIROZENTRALE —
ISTITUTO BANCARIO SAN PAOLO DI TORINO
KLEINWORT, BENSON
KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.J.)
LANDESBANK RHEINLAND-PFALZ
— GIROZENTRALE —
MORGAN STANLEY INTERNATIONAL
NORDDEUTSCHE LANDESBANK
GIROZENTRALE
ÖSTERREICHISCHE LANDESBANK
— GIROZENTRALE —
N. M. ROTHSCHILD & SONS
SCHROEDER, MÜNCHMEYER, HENGST & CO.
SMITH BARNEY, HARRIS UPHAM & CO. INCORPORATED
SUMITOMO FINANCE INTERNATIONAL
SWISS BANK CORPORATION (OVERSEAS)
UNION DE BANQUES ARABES ET FINANCIÈRES — U.B.A.F. —
M. H. WARBURG — BRUNCKMANN, WITZ & CO.
WOOD GUNDT

ALAHLI BANK OF KUWAIT (K.S.C.)
AMEX BANK LIMITED
THE ARAB AND MORGAN GRENPELL FINANCE COMPANY LIMITED
BANCO DE BILBAO, S.A.
BANCO DI ROMA
BANCO DE VIZCAYA, S.A.
BANK FOR GEMEINWIRTSCHAFT
BANKHAUS H. AUFHAUSER
BANQUE FRANÇAISE DU COMMERCE EXTERIEUR
BANQUE DE PARIS ET DES PAYS-BAS
BARCLAYS BANK INTERNATIONAL
BAYERISCHE LANDESBANK
GIROZENTRALE
BERLINER BANK
CHASE MANHATTAN
CREDITANSTALT-BANKVEREIN
CREDIT SUISSE WHITE WELD
DEN NORSKE CREDITBANK
DEUTSCHE GIROZENTRALE
— DEUTSCHE KOMMUNALBANK —
EFFETENBANK — WARBURG
GIROZENTRALE UND BANK
DER ÖSTERREICHISCHEN SPARKASSEN
HARDY-SLOMAN BANK GMBH
HILL SAMUEL & CO.
KANSALLIS-OSAKE-PANKKI
KREDITBANK S.A. LUXEMBOURGEOISE
KUWAIT INTERNATIONAL INVESTMENT CO. S.A.
MERCK, FRICK & CO.
THE NIKKO SECURITIES CO. (EUROPE) LTD.
SAL. OPPENHEIM JR. & CIE.
PKEANKEN
SALOMON BROTHERS INTERNATIONAL
SIMONBANK
SOCIÉTÉ GÉNÉRALE
SUN HUNG KAI (INTERNATIONAL)
TRINKAUS & BURKHARDT
VEREINS-UND WESTBANK
S. G. WARBURG & CO. LTD.
YAMAICHI INTERNATIONAL (EUROPE) LIMITED

NMB Bank's international growth creates challenging opportunities for young bankers in leading posts.

In the past decade NMB Bank has gone through a period of sound development.

Its balance sheet total grew from f 3.4 billion in 1967 to f 27.3 billion in 1977.

In that period its staff increased from 4,000 to 8,500.

NMB Bank now ranks among the large commercial banks in the Netherlands.

Internationally, we form part of the Inter-Alpha Group of Banks, which is represented in São Paulo, Tokyo, Singapore, Hong Kong and Teheran.

We operate our own offices in New York, Beirut, São Paulo, Zurich and in Curaçao, Netherlands Antilles.

We are now working on the further expansion of our international activities and are faced with the question:

To whom can we entrust responsible positions in our offices abroad?

Certain conditions and qualifications stand out clearly.

The right men are between 30 and 40 years of age.

Preferably they should hold an academic degree in economics or law and must already have won their spurs in international banking outside the Netherlands. The men we should like to meet are preferably Dutchmen with outstanding staff control and management abilities.

To put it briefly: we are looking for junior bankers with pioneer blood in their veins, who are interested in opportunities to accelerate the pace of their careers.

This advertisement is an invitation to suitably qualified candidates to apply in writing in the first instance to NMB Bank, P.O. Box 1800, Amsterdam, Holland. At Mr. J.D. Vermeer.

HOME NEWS

New-look Heathrow
clears way
for record summer

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE MODERNISATION programme at Heathrow Airport, which is nearing completion, is clearing the way for a record summer, airport officials say.

Mr. Mike King, airport director, said yesterday: "We are very near to the point where no further improvements or extensions can be made."

"When plans for the 'Euro-gate' satellite and some redevelopment in Terminal One are carried out, and works in Terminals Two and Three are completed, the rebuilding of Heathrow's Central Terminal area will be at an end."

The airport has become the target in recent years of a barrage of criticism because of inconvenience and delays caused by building work.

Now, on the authority of the airport's own figures, it expects that the improvements will cope with up to another 7m. passengers a year, from the present 25m. to 30m. a year.

Beyond that, it has already said that it will need another new passenger terminal, to handle 8m. passengers a year, and it has applied for planning permission to build this on the south-west side of the airport, close to the new Hutton Cross station, at a cost of about £80m. for the 1980s.

This plan has in turn aroused considerable objections and the Department of the Environment has set up an inquiry into it, starting on May 31 at County Hall, Westminster.

The Heathrow Airport Consultative Committee said yesterday that some hearings would be held locally, perhaps during the evenings and at week-ends.

Mr. Douglas Eden, chairman, said: "Everyone will have a chance to make their positions clear regarding the proposed terminal."

A total of 2.5m. passengers used the British Airports Authority's seven airports in March (Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Aberdeen and Edinburgh), a 9.5 per cent. rise on March last year.

Heathrow's total, at nearly 2m., was up 6.3 per cent., with big rises in traffic to North America (31 per cent.) and the Middle East (20 per cent.).

The big rise in traffic to North America is due both to the fact that Easter fell in March this year, bringing its customary boost to traffic, while the extension of cheap air fares to a greater number of U.S. destinations also helped.

twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

The return fares to Amsterdam from Exeter will be £113, to Paris £102, Gatwick £44 and Glasgow £20. Air Westward initially will use small fleet of twin-engine Cessna Titter aircraft, but hopes eventually to have bigger aircraft.

Flights to Amsterdam will be twice-daily each way and once daily to Paris. Gatwick will have a twice-daily connection, and Glasgow a daily service.

Lasers could reduce
uranium imports

BY DAVID FISHLICK, SCIENCE EDITOR

A NUCLEAR technology which could stretch Britain's present stockpile of uranium, reducing the country's dependence on foreign uranium imports, is beginning to excite serious commercial interest.

The technology, named laser enrichment, could extract enough extra fuel from Britain's stockpile of "depleted" uranium to run our latest nuclear stations for an extra five years or more.

But its use may raise new international arguments about the risks of nuclear proliferation.

According to U.S. Government sources, laser enrichment can be used experimentally to separate almost all the fissile uranium-235—the fuel burned in present-day reactors.

The news comes at a time when two potential uranium supplier nations, Canada and Australia, are unable to make fresh deliveries to Britain, and the U.K. Government is refusing to sign new contracts with a third, South Africa.

Britain has a stockpile of about 20,000 tonnes of depleted uranium—uranium from which most but not all the useful uranium-235 isotope has been extracted through uranium enrichment.

U.S. Government sources say that the new technology of

laser enrichment shows enough promise to contemplate recycling such a stockpile in the 1990s to extract more energy.

The newsletter Nucleonics Week reports the U.S. Department of Energy as saying that laser enrichment is "genuinely an instance in which technology will be substituting for a natural resource."

The basic idea of laser enrichment is that the desired uranium-235 component shall be "excited" by laser radiation in such a way that it can be separated very cleanly from the non-fissile uranium-238 component.

Britain's depleted uranium stockpile still contains about 0.25 per cent. uranium-235—enough to run the 6,000 MW of new nuclear stations recently commissioned or under construction for between five and eight years.

The nuclear research centre at Harwell—in addition to several U.S. laboratories—has been experimenting with the technique.

The U.S. Department of Energy foresees a demand from three to five laser enrichment plants for recycling depleted uranium in the 1990s. It indicates that the process is expected to be competitive with mining and milling fresh uranium ore—of which the

U.S. has abundant reserves. Dr. Walter Marshall, deputy chairman of the U.K. Atomic Energy Authority, and responsible for its research programme, said yesterday that he believed the U.S. claim was premature, but if substantiated would indicate that enrichment could be carried out on a very small scale.

The U.K. Government is keeping its progress at Harwell tightly classified, since it regards successful laser enrichment as a serious proliferation risk. The process could easily be used to make highly enriched uranium of the quality needed for nuclear explosives.

If laser recycling of depleted uranium should prove possible, it will have no significant effect on its value as fuel for the fast breeder reactor.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

County demands
more funds
to save coast

BY RHYS DAVID

UNLESS MORE funds are made available for coastal protection, schemes where a danger to life towns in the County of Humberside could be cut off and inland areas flooded by sea-water as far as Hull, the county council has warned the Government.

The warning came in a letter to Mr. Peter Shore, Environment Secretary.

It was sent by Mr. John Townend, the council leader, and follows the completion of a report into the problem by a working party representing the local authorities, the Yorkshire Water Authority, and the Industry Department.

The county already suffers an annual land loss from coast erosion of more than 20 acres, much of it in the Holderness district. Present government policy is

only to permit coast protection, schemes where a danger to life towns in the County of Humberside could be cut off and inland areas flooded by sea-water as far as Hull, the county council has warned the Government.

The result according to the county is that schemes have been allowed for two or three towns in the Holderness area—Hornsea and Withernsea—which while offering them protection, have increased the rate of erosion elsewhere.

Mr. Townend claims that it is essential for money to be made available for the protection of rural as well as urban coastlines. "Apart from the loss of land as the coastline moves inward, real danger exists of the sea breaking through into land drainage systems, and in the long term, penetrating as far as the basin of the River Hull."

"What are now considered inland areas could be flooded by sea water as far as the city of Hull."

The council wants the Government to start a national survey of the coastline to find the extent and condition of existing sea-defence works and likely future maintenance costs.

The study should also cover the rate of erosion or accretion on the unprotected parts of the coastline, and its effect on land reclamation for agriculture and industrial purposes.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

AN AGREEMENT on trade and cultural co-operation between north-west England and north-west France was signed in Manchester yesterday by leaders of the city's Chamber of Commerce and Industry and a delegation of six from the Chamber of Commerce in Lille.

Both regions have similar textile backgrounds and both faced with the need for industrial diversification, according to Mr. David Wilson, president of the Manchester Chamber.

The Lille chamber will stage a presentation of investment opportunities at the Manchester Chamber in June.

Sea oil
'can help
to slow
inflation'

By David Freud

NORTH SEA OIL on its own could do nothing to promote higher employment or raise the rate of growth in the U.K., Prof. Brian Griffiths said yesterday in London at his inaugural lecture as Professor of Banking and International Finance at the City University.

It could have some effect on the rate of inflation.

"The major impact of the oil is that it increases the productive potential of the economy and hence for a given money supply growth will lead to a reduction in the rate of inflation, which will make it easier to reduce monetary growth even further."

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

MANAGEABLE

Similarly, if public expenditure is kept firmly under control the increased revenue will enable the Treasury to reduce the public sector borrowing requirement to more manageable proportions, with reduced uncertainty for the economy."

Prof. Griffiths said that the decisive factor explaining the difference between growth rates in various countries was their "residual efficiency."

A step by step guide to
easier take-offs to Europe.

1. Put your foot down,
insist on British Airways
from Heathrow.

You'll find it'll save you time,
hassle and foot leather. A word to
your secretary or Travel Agent is
all it takes.

2. Best foot forward
to Terminal One.

It's the departure point for all
our European flights.

It's also where our Inter-Britain and Shuttle services arrive.

So if you're switching from a domestic or Eire flight to one of our European departures, you can do it under the same roof.

And save the additional 30 minutes you'd need to allow if you were transferring to any other European airline.

3. Do the quick step to
the quick check-in gate.

If you're only travelling with
hand luggage, we can save you
even more time. Simply go straight
to the departure gate. Be there at
least 20 minutes before take-off.

Corporation studies future of steel

A FRANK and detailed appraisal of the future of the British Steel Corporation now being made in each working week, is provided in a booklet entitled Prospects for Steel, published by the corporation yesterday.

British Steel has sent the booklet to all members of the Commons and the Lords. It coincides with publication of the Iron and Steel (Amendment) Bill—reported in the Financial Times yesterday—which seeks to raise the corporation's borrowing limits from £40m. to £55m.

Prospects for Steel analyses the present state and prospects for the nationalised industry. It even contains a provisional balance sheet for the corporation for the last financial year, although the annual report and accounts will not be published until the summer.

After losing an estimated £418m. on last year's trading, British Steel is now projecting a further loss of £400m. in 1978-79.

Interest on accrued borrowings will account for more than £200m. and there will also have to be a provision for contingencies. British Steel refers to those figures as "the likely trend of trading results," but adds: "This must not be regarded as a forecast, but as an estimate to which management action is being vigorously directed."

BRITISH STEEL'S PROVISIONAL 1977-78 BALANCE SHEET

	March 78	(pro-March March)	visional)
Net assets	77	76	
Fixed assets	2,532	2,180	1,708
Investments	237	213	174
Stocks	1,067	1,161	818
Other working capital	(418)	(487)	(465)
Total net assets	3,418	3,067	2,235
Capital employed			
PDC	1,824	1,379	889
Reserves	(555)	(63)	53
Long term debt	1,787	1,445	1,051
Minority interests	18	18	17
RDG and other grants	344	288	225
Total capital employed	3,418	3,067	2,235

A special report on the six-month operations of the corporation between April and September this year is promised by next December. The Board has now set management a financial objective to break-even financially by the end of the financial year 1978-79. The booklet studies the impact

on the corporation of the recent statement by Mr. Eric Varley, the Industry Secretary.

The Government abandoned the former 10-year strategy for the industry and said that the £1bn. a year investment programme was being replaced by a more modest programme aimed at improving the quality of steel-making plants, without increasing the total capacity of British Steel to make iron and steel.

In spite of the investment cut-back, investment of between £350m. and £450m. a year would continue to be needed in British Steel "if the business is to be preserved."

The corporation claims that it can "return to viability in the longer term," but that it will be "far from self-financing in the next five years."

The current level of losses was not compatible with the survival of the business in the present form.

There was a need for a continuing injection of finances, so that British Steel could have sufficient steelmaking capacity to meet future needs of British industry and take sales opportunities abroad.

Sir Charles Villiers, British Steel chairman, and his managers were planning their hopes for a return to profits upon an eventual financial reconstruction of the corporation's capital.

Borrowings

The Government was considering ways of relieving British Steel of some or all of its £200m. a year interest burden on the accrued borrowings.

Systems explored include outright grants to cover interest, the writing-off of public sector loans, and the provision of a new form of financing called Public Cumulative Capital, which would allow interest payments to be deferred until the corporation was in profit.

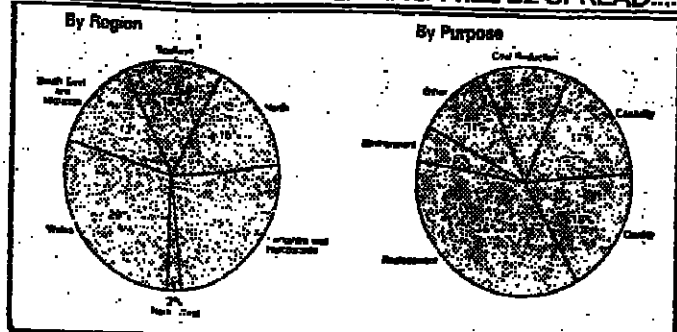
But no Government decision is expected before next year. The booklet contains a detailed account of how British Steel intends to spend the £1bn. for capital investment at its disposal between now and 1980. Fourteen major schemes of over £10m. each are listed (see table).

In addition, £110m. will be spent on 38 schemes of between £2m. and £10m. each, and £135m. on other schemes of under £2m. each.

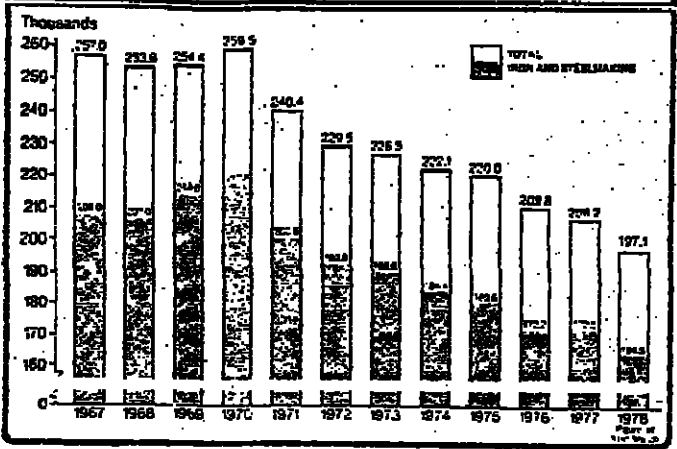
A much higher proportion of capital will be directed at schemes below £2m.

British Steel plans to spend a further £200m. on small works

HOW 1978-80 CAPITAL SPENDING WILL BE SPREAD



HOW BRITISH STEEL IS REDUCING MANPOWER



improvement schemes which have not, so far, been put to the Government.

The emphasis is to be on improving product quality and cutting the cost of steelmaking.

Since September last year manpower in British Steel has fallen by more than 9,000 to 164,500 actively engaged in iron and steelmaking. Further work closures already agreed entail cuts of 5,000 more jobs over the next few months.

But even this would not be the end of the road for manpower reductions.

Even though the number of employees in the corporation has fallen by about 60,000 since Vesting Day, the need to bring capacity more into line with demand and to improve productivity means that further reductions in manning must be achieved.

To match even the present levels in the German industry would require an improvement of about 50 per cent., and the Germans, in common with other competitors, are taking strong measures to improve their own performance.

The corporation had recently made headway on productivity. New agreements involving 60,000 people had been prepared and local negotiations to implement some have already been concluded.

Prospects for Steel admits that the short and medium-term prospects of the steel industry in Europe and for British Steel are difficult to assess.

"It may be that we have not yet reached the bottom of a recession in the demand for steel

which has already lasted for three years.

"It is certain that the manufacturing problems of the corporation—over-capacity and low productivity—are deep-rooted."

"It is therefore unlikely that the present high loss situation can be immediately turned round."

Steel demand is not expected to be much greater in 1978-79 than last year and prices are expected to "remain very sensitive."

On a turnover of £3bn., the corporation's results are affected by £30m. for every 1 per cent. change in selling prices.

Government rejects idea of workforce cuts target

THE GOVERNMENT has made a low-key official reply to recent reports on the British Steel Corporation from the all-party Commons Select Committee on Nationalised Industries.

A White Paper published yesterday says that the problems facing British Steel because of the crisis in world steel markets, and the Government's conclusions about what should be done were dealt with in the previous White Paper on steel (British Steel Corporation: The Road to Viability, Cmd 7149) published on March 22.

The new White Paper is confined to answering specific recommendations about British Steel made by the M.P.s committee.

The Government rejects the suggestion that there should be a target for reductions in British Steel's workforce in each of the next five years.

The eventual size of the corporation's workforce would depend on market developments and British Steel's ability to recapture its market share. Further rationalisation would be necessary, but it would be a matter for the corporation and the unions to negotiate.

Arrangements

The Government supports a recommendation that the TUC Steel Committee should be reorganised to respond adequately to a wider field of future responsibilities.

"The range of issues in which the trade unions have a direct interest is increasing, and the Government expects to see this reflected in the administrative and negotiating arrangements

made within the trade union movement."

British Steel had offered to finance additional resources that the unions would need if there was to be more effective participation on, for instance, planning and commercial issues.

The select committee said that procedures for assessing the efficiency with which steel industry capital projects were undertaken should be reviewed. The Department of Industry, the Treasury, and British Steel should act jointly. There was scope for developing post-completion reports for selected projects "particularly as major projects can be assessed only over a long time-scale."

Proposal

The select committee recommended that the Government should tell British Steel the reasons for any rejection of an investment proposal also found support.

But a proposal that the job of sanctioning British Steel's financial requirements should be taken from the Department of Industry and given to a strengthened Public Enterprise Group within the Treasury brought a cool response from the Government.

"Experience shows that combining the sponsorship function with financial responsibility in the Department of Industry does not, in practice, give rise to a conflict of interest or weakness in financial control."

A plan to organise closer consultation between the public and private sectors of steelmaking in Britain was rejected. The Government believes

that the consultation arrangements in the tripartite Iron-Steel Sector Working Party, direct between British Steel, the British Independent Steel Producers' Association, are well-organised.

The Government understands that the corporation and association are also satisfied with these arrangements. The Government considers, therefore, that further formal arrangements are unnecessary.

The Petros Castings Centre is served equally well by the Foundries Economic Development Committee.

The select committee proposed that a formal forum might be set up for consultation between the private and public steelmaking sectors.

The Government is not prepared to begin a recommend investigation into iron and steel scrap supplies.

There was already discussion between British Steel, the private sector of steelmaking, the Federation, about scrap supply

Restrictions

Exports of ferrous scrap, third countries were subject to Community quota, restriction when necessary, to safeguard supplies for the steel and foundry industries.

The future scrap situation would be continually reviewed by the Department of Industry.

British Steel Corporation: The Road to Viability, Cmd 7149. The Government's reply to recommendations contained in it. First, Second and Fifth reports from the Select Committee on Nationalised Industries, Series 1977-78. Cmd 7188. Stationery Office, 35p.

Docks Board ports record profitability

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE BRITISH TRANSPORT Docks Board's 19 ports increased operational profitability by £3.2m. last year to the record level of £29m., in spite of reduced cargo volumes.

After interest charges, tax and depreciation profit was £7.3m., up from £5.2m. the previous year. This, the Board's annual report said yesterday, represented a return on capital of 16.3 per cent. and had kept the Board on target for a 20 per cent. return by 1980, as agreed last year with the Government.

One of the few disappointments for the Board last year was the performance of Southampton, its largest port, which registered its first net loss since 1970. The deficit was £667,880 against a surplus of £795,664 in 1976.

Sir Humphrey Browne, chairman of the Board, said the loss at Southampton was attributable to eight months of sporadic labour troubles over pay negotiations.

The situation has not improved this year, with two sections of workers, maintenance men and foremen, still refusing to sign working agreements for the new South African container berth.

The maintenance engineers are also on strike over pay, having demanded parity with the port's dockers, which would involve a 20 per cent. increase.

Sir Humphrey said yesterday that there was no question of the Board bending the Government's pay guidelines to meet the men's demands.

He also said that shipping lines on the South African run were beginning to show signs of distress at the port's failure to operate the South African berth, which has been complete since January.

There was a danger that the lines, which are transshipping South African containers via ports in Europe through non-docks Board ports such as Dover and Felixstowe, would not return to Southampton if the disputes were not settled quickly.

Revenue at the Board's ports, which account for about 25 per cent. of total import and export movements, rose last year by £11.3m. to £110.4m.

The volume of traffic fell by 1.5 per cent. increase.

He also said that shipping lines on the South African run were beginning to show signs of distress at the port's failure to operate the South African berth, which has been complete since January.

There was a danger that the lines, which are transshipping South African containers via ports in Europe through non-docks Board ports such as Dover and Felixstowe, would not return to Southampton if the disputes were not settled quickly.

Revenue at the Board's ports, which account for about 25 per cent. of total import and export movements, rose last year by £11.3m. to £110.4m.

The volume of traffic fell by 1.5 per cent. increase.



American cars have come a long way since American cars.

American cars have come a long way since they looked like juke boxes on wheels. The days of shark fins and electric-fire rear lights are long gone. Today the trend is towards quieter, simpler lines, solid engineering and sheer reliability.



Nobody though, is going to kill off that typically American insistence on a high level of equipment and new ideas.

So even though our Cadillac Seville and Chevrolet Caprice look thoroughly at home in Europe, you'll find they're still very exciting — and different — inside.

You'll also find that they are remarkably good value for money.

Take the right hand drive 5.7-litre Seville. We call it a luxury car. And with all due respect this means slightly more in the States than it does here.

Hence the electrically adjusted front seats. The climate control dial for the exact temperature you want. The electronic fuel injector, regulated by computer. The Cruise Control to allow you to keep the car running at a predetermined speed and efficiency. And all that's just for starters.

Even more attractively priced, considering its impressive list of equipment, is the Chevrolet Caprice. A car that the prestigious "Motor Trend" magazine awarded its coveted "Car of the Year" Trophy, last year.

Autocar said when testing the Caprice "...we would prefer it to a great many so-called prestigious cars on offer at the moment."

And they summed up, "Would we have a Chevrolet? ...to our own surprise we would have to admit to being tempted."

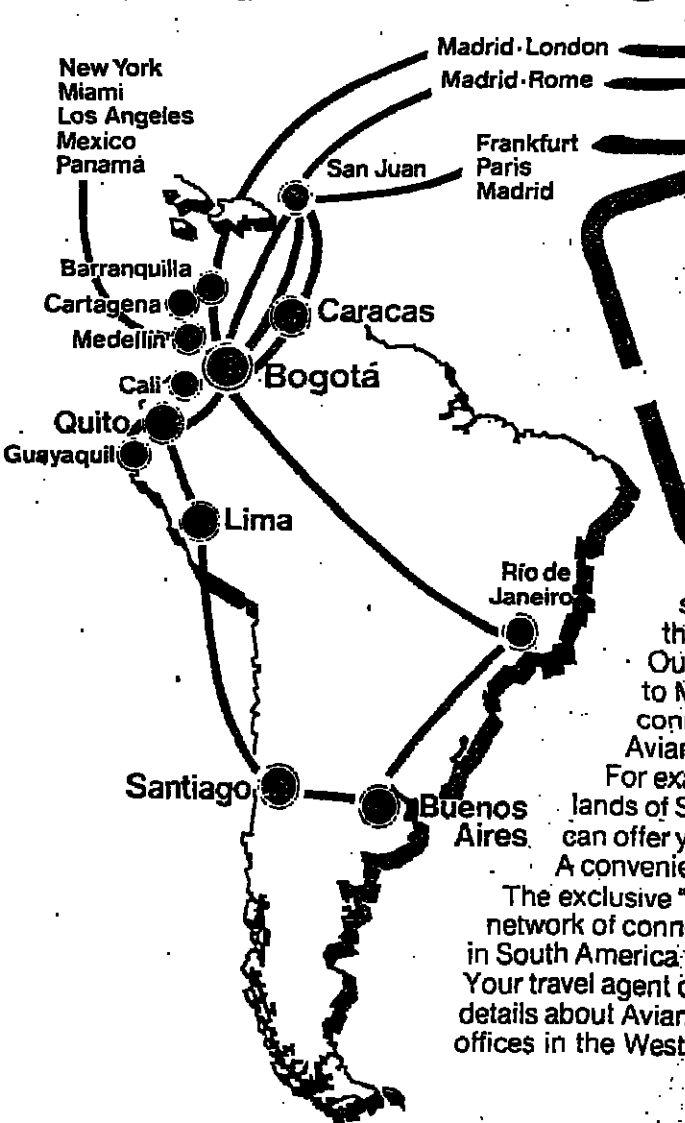
We think you will be too. Come and see our range of Cadillac, Chevrolet, Pontiac, Buick and Oldsmobile American cars from General Motors. And surprise yourself.



LENDRUM & HARTMAN
122/124 King Street, Hammersmith W6 0RH 01-748 0821

مكازم العرب

4th of May Avianca Day. The New Gateway to the New World.



NEW AVIANCA FLIGHT. LONDON/COLOMBIA EVERY THURSDAY (21:20 hrs.)
With immediate connections to LIMA and QUITO.

Avianca, the first airline of the Americas will soon be operating flights from London to the New World.

Our flight leaves every Thursday from Gatwick to Madrid/Barranquilla/Bogotá with immediate connections to Lima and Quito.

Avianca offers you exclusive advantages. For example, 58 years of experience in the skies and lands of South America. Something no other airline can offer you.

A convenient departure time, 21:20 hrs.

The exclusive "Red Ruada" on board service. And a complete network of connections so that you can travel to anywhere in South America with Avianca.

Your travel agent can give you complete details about Avianca. Ask him or call our offices in the West End.

Avianca 2, Hanover St. London W.1
Passenger/Cargo information and reservations, Tel: 408 1889.

Avianca
International Colombian Airlines.
The First Airline of the Americas

Shipyards have plan on unions problem

By Alan Pike, Labour Correspondent

A NEW INITIATIVE for resolving the problem of trade union recognition in the shipbuilding industry is expected to be outlined by British Shipbuilders to-day.

The British Shipbuilders Board once more drew back from a final decision, when it considered the issue yesterday, on whether the Shipbuilding and Allied Industries Management Association should be granted national recognition.

It decided to put new suggestions to the organisations involved, and these will be outlined in letters to the Confederation of Shipbuilding and Engineering Unions and the Engineers' and Managers' Association, of which the management association is part, to-day.

SATMA, which claims to represent 70 per cent of British Shipbuilders' managers, is being resisted in its national recognition claim by the confederation and the TUC. The TUC position is that existing confederation unions, which do not include the Engineers' and Managers' Association, can adequately represent all levels of staff.

The EMA says that it should be recognised because it has a very high proportion of the industry's managers in membership and is recognised by many individual companies which now make up British Shipbuilders.

'Uncertain' benefit of 35-hour week

BY PHILIP BASSETT, LABOUR STAFF

THE trade union target of a 35-hour working week is likely to have a "highly uncertain" effect on unemployment and could be a threat to economic recovery and the fight against inflation, according to a Department of Employment report.

The report states, though, that unemployment in manufacturing industries could be virtually eliminated if overtime worked in this sector, averaging about 16m. hours a week, could be converted into full-time jobs.

The report, in the Department of Employment Gazette, examines three types of work-sharing to alleviate unemployment: reducing normal hours worked, extending holidays, and reducing overtime.

The 35-hour week, which is a policy commitment of unions including the Transport and General Workers, could reduce registered unemployment by anywhere between 100,000 and nearly 500,000, according to the report.

If weekly earnings were maintained it could increase total labour costs by between 6.1 and 8.5 per cent. There would be some net savings of Government spending of between £650m and £850m, because of savings in unemployment benefit and increases in tax revenue, but the savings would be outweighed by the labour costs.

The inflationary effect of the increase in labour costs from the 35-hour week would damage longer-term employment prospects and weaken the country's competitive position, though the effects would be lessened if a TUC suggestion was followed and

an international agreement secured.

A reduction to a 38-hour week would have a smaller effect on labour costs but a corresponding smaller fall in unemployment of between 60,000 and 290,000.

Increasing the annual paid holidays for all workers by one week could reduce unemployment by between 25,000 and more than 100,000, but it would increase labour costs by about 2 per cent.

Many of the "lost" hours would be absorbed in increased overtime, increased output per man hour, or a reduction in output.

A reduction in overtime is "a more promising possibility," if

overtime hours were given up, and his associated pay, and both could be parcelled into full-time jobs at normal pay rates. It would be possible to reduce unemployment, the report states, without any net increase in labour costs or Government spending.

Overtime was sometimes the only economic way of carrying out certain tasks, and the loss of overtime pay would probably particularly hit low-paid workers.

The difficulties did not rule out action to reduce overtime, but legislation on it would be too rigid. Any action would best be obtained by voluntary negotiation at workplace level.

Strikes 30% down in first quarter

THE NUMBER of strikes in the first quarter of this year fell by nearly 30 per cent from the total for the same period in 1977, writes Philip Bassett.

The effects of the third year of Government pay policy appear in the figures that show pay still the fastest single cause of stoppages, increased as a cause from 44.5 per cent in the period in 1977 to 59 per cent in the same period this year.

Both the number of working days lost in the quarter and the number of workers involved in stoppages were down.

Strikes which began in the first quarter of the year totalled 527, a drop of 28.9 per cent, on the total of 752 in the same period last year, according to figures published yesterday in the Department of Employment Gazette.

The number of working days lost in the period this year was 1,755,000, a 22.2 per cent drop from the total for the first quarter of 1977 of 2,258,000. The number of workers involved in stoppages fell by 36 per cent, from 297,000 in the first three months of 1977 to 190,000 in the same period this year.

After pay, manning and work allocation disputes were the second largest cause of stoppages, though the figure fell from 18.6 per cent in the first three months of 1977 to 12.5 per cent this year.

A total of 311,000 working days were lost in March — for the second month running the lowest figure since last July's 299,000. A total of 56,000 workers were involved in the stoppages—a fall of 1.7 per cent from the previous month.

The Department lists three prominent stoppages during the month: an eight-week stoppage by 1,500 men at the McDermott Ardersier offshore platform yard over a new shift system; 9,000 workers laid off at five Swan Hunter shipyards on the Tyne following industrial action by 80 security guards; and a three-week stoppage by 800 production workers at a Lincoln power-brake plant.

An estimated 1,823,000 employees in manufacturing industries, 35 per cent of the total, worked overtime in the week ending February 11, 1978. In the same week the estimated number on short-time in these industries was 44,800, or about 2.5 per cent of all employees, each losing 13.4 hours on average.

The total number in employment in February in industries covered by the index of industrial production was 9,065,000, a fall of 5,000 from the previous month. The seasonally adjusted figure, though, rose by 10,000 compared with January to 9,112,000.

Betting shop girl wins case for equal pay

AN APPEAL COURT decision in favour of a woman betting shop clerk was welcomed yesterday by the Equal Opportunities Commission as a "landmark" in clarifying the equal pay law.

In his decision, Lord Denning, Master of the Rolls, said the only difference in the jobs done by Miss Sandra Shields, 23, and a male colleague was on the grounds of sex.

Although the man was expected to cope with troublesome punters, he was not required to have extra qualifications, such as a fierce and formidable appearance or special training.

He may have been a small, nervous man who could not say "bon to a goose," said the judge. "She may have been as fierce and formidable as a battle-axe."

The fact was that the grounds for paying the man 14p an hour more than Miss Shields were based on the fact that he was a man.

That was against the sex discrimination and equal pay laws, Lord Denning ruled.

The court dismissed with costs an appeal by the turf accountant, F. C. Miles (Holdings), against an Employment Appeal Tribunal ruling that Miss Shields, of Sloane Court West, Chelsea, was entitled to the same pay as male counter clerks.

It was said that as a result of the decision the employers' wage bill would go up by at least £45,000 a year.

They were refused leave to appeal to the House of Lords, but later a legal spokesman said they would consider applying direct to the Lords for leave.

Lord Denning said that in nine of Coomes betting shops one of the counter-hands was a woman and the other a woman. The reason was that these shops, including the one where Miss Shields worked in Sussex Street, Pimlico, were in areas where trouble might be anticipated.

At 61 shops in trouble-free areas the counter-hands were all women receiving 82p an hour. At the nine "trouble areas" shops, the man was paid £1.06 an hour and the woman 92p.

The only difference between them was that the man filled a protective role as a watchdog, ready to bark and scare off intruders, said Lord Denning.

It was rather like the difference between a barman and a barmaid. Each had his or her own way of dealing with awkward customers, but their jobs were of equivalent ratings. Each should therefore get the same rate for the job.

Lords Justice Bridge and Orr agreed.

The Board of Directors of Sun Hung Kai Securities Limited of Hong Kong have pleasure in announcing the appointment of the Rt. Hon. Lord Shepherd, P.C., as Adviser to the Board. Lord Shepherd's knowledge and experience of Government and international relations coupled with his continuing interest in manufacture and trading will prove of considerable worth to the Group.

Lord Shepherd recently resigned as Lord Privy Seal and Leader of the House of Lords to return to industry. During 1967-1970 he was Minister of State at the Foreign and Commonwealth Office. Apart from other industrial and trading relations Lord Shepherd is Chairman of the Civil Service Pay Research Unit Board and Chairman of the Medical Research Council in the U.K.

A SPECIAL CONFERENCE

PROFIT SHARING

EMPLOYEE SHARE OWNERSHIP

TUESDAY 9 MAY 1978

QUAGLINO'S, BURY STREET, LONDON SW1

The Government's proposals for tax relief on employee share ownership will be presented by

THE FINANCE SECRETARY TO THE TREASURY

THE RT. HON. ROBERT SHELDON MP

Other speakers on the practical experience of profit sharing will be:

Nicholas Goodison, Chairman, Stock Exchange

Alan Russell, Condar Group

Dr. W. B. Dobie, ICI Mond Division

Tom Garnier, Kalamazoo Group

Chairman: Ralph Hopps, The Industrial Society

Details from: Giles Tilley

THE INDUSTRIAL SOCIETY

3 Carlton House Terrace, London SW1 Tel: 01-837 4300

Call for indefinite Thomson strike

By Our Labour Staff

LEADERS of striking Thomson Regional Newspapers journalists yesterday asked their union to declare an indefinite stoppage from next Tuesday.

The request came as journalists in the group staged a 24-hour strike in support of 77 colleagues at Hemel Hempstead, Hertfordshire, who were sacked more than a week ago because of a work to rule over a pay claim.

It also followed management threats to dismiss a further 310 journalists on four newspapers if they failed to work normally from the first shift to-day.

The National Union of Journalists is expected to consider the strike leaders' request at an emergency executive meeting to-day. The National Graphical Association, the printers' union, has also been asked to support the journalists but a council meeting of the union yesterday deferred discussions on the issue.

The Thomson group said that the stoppage by 1,100 of its journalists yesterday was "more or less complete" but newspapers were still being produced by editors.

Bank staff representation to be discussed with TUC

BY NICK GARNETT, LABOUR STAFF

DR. TOM JOHNSTONE, chairman of the Scottish Manpower Services Commission and head of the inquiry into staff representation into the five London clearing banks, is expected to discuss soon with the TUC its experiences in forming single industry unions.

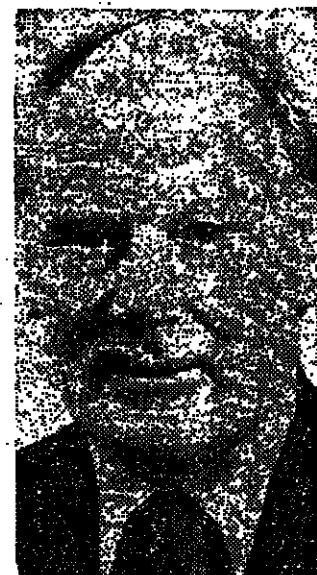
He will be particularly keen to have the TUC's views on federalism and, for example, the relative success and problems in the formation of the Amalgamated Union of Engineering Workers, designed to create one union for the engineering industry.

So far, however, he has adopted no particular view of the way he believes representation can be reorganised.

The problem is to weld differing attitudes to representation held by the staff bodies, whose relationships have substantially deteriorated over the past year, into a framework that works for both the banks and their staff.

The problem highlights a conflict between TUC and non-TUC affiliated bodies, respectively represented by the National Union of Bank Employees—with members in the five banks—and the Confederation of Bank Staff Associations, with its constituent units in Barclays, National Westminster and Lloyds.

There is also a difficulty within the TUC between the employees' union and the Association of



DR. TOM JOHNSTONE exploring views on federalism.

Scientific, Technical and Managerial Staffs, which has a sizeable membership in Midland and hopes to move into other banks.

Dr. Johnstone, with 14 years experience as an arbitrator, is holding the inquiry in private, calling for submissions from the various staff bodies, the banks and the Federation of Bank Employers.

He intends working towards

some form of scheme for representation that will be agreed between all parties involved in a "model" scheme drawn from the various submissions.

This could mean a meeting between all parties involved in a "model" scheme drawn from the various submissions.

The unions and banks almost certainly suggest own ways of solving what is a complete breakdown in banks' national and negotiating machinery.

Dr. Johnstone will discuss position with the Association Scientific, Technical and Managerial Staffs, which is not party to the inquiry.

Of the three individual associations Lloyds is now in a merger with the bank employees' union and that makes it more difficult for remaining two to keep independence.

So far, the confederation said that if it came to talks, its associations would baby prefer to join the association.

Dr. Johnstone, however, is keen not to worsen the existing difficulties in co-ordinating recruitment battles between affiliated unions.

That would seem to mean the association will not be encouraged to play a fuller within the banks.

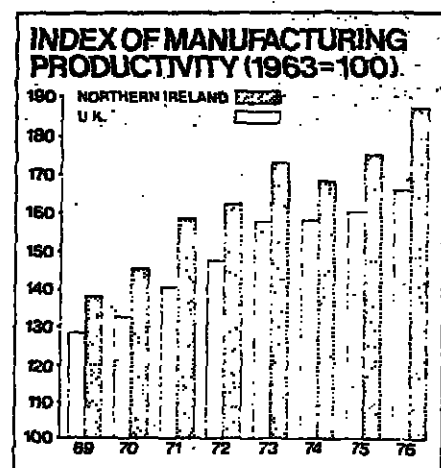
New plant incentive

Recover up to 93% in Northern Ireland

Northern Ireland is a region poised for further economic growth.

Out of the last decade has come a body of impressive industrial achievement which must now be a springboard towards future prosperity.

To state the facts is to make the case for more investment, your investment in Northern Ireland.



Industrial Excellence
Productivity and output have both increased dramatically since 1969, productivity by 37%, manufacturing output by 14%.

Industrial Relations
Northern Ireland has one of the best records in Western Europe. International companies are happy to rely on Northern Ireland to maintain supplies of key components.

Grants in Aid
For new building the grant can be as much as 50% of cost. And there can be a 5-year, rent-free period for firms preferring to lease ready-built factories. For new plant, the Government contribution can be a discounted 93%, including grant and tax

More Incentives
Interest relief is available over seven years on money raised from non-Government sources. Assistance is provided with start-up and running costs of new projects. Payment of the selective employment premium is being

maintained in Northern Ireland—£2 for each adult, £1.50 for each worker under 18.

You won't find any area within the EEC, let alone any other region in the UK, offering such a wide and generous range of industrial benefits together with the environment and infrastructure to get the most out of them.

More than 300 projects have been established in Northern Ireland in the last thirty years. Read what some of their managers have to say in "Ask any businessman who's already here" — an anthology of views from the boardroom.

Then ask yourself whether you can afford not to take a longer look at Northern Ireland. Complete the coupon and start doing it soon.

To: Director of Industrial Development,
Northern Ireland Department of Commerce, Chichester House,
64 Chichester Street, Belfast BT1 4TX, Northern Ireland. (Belfast 34488, ext. 435)
Please send me a copy of "Ask any businessman who's already here".
Also send me further details on the opportunities for industrial expansion in Northern Ireland.

Name: _____ Title: _____
Company: _____
Address: _____

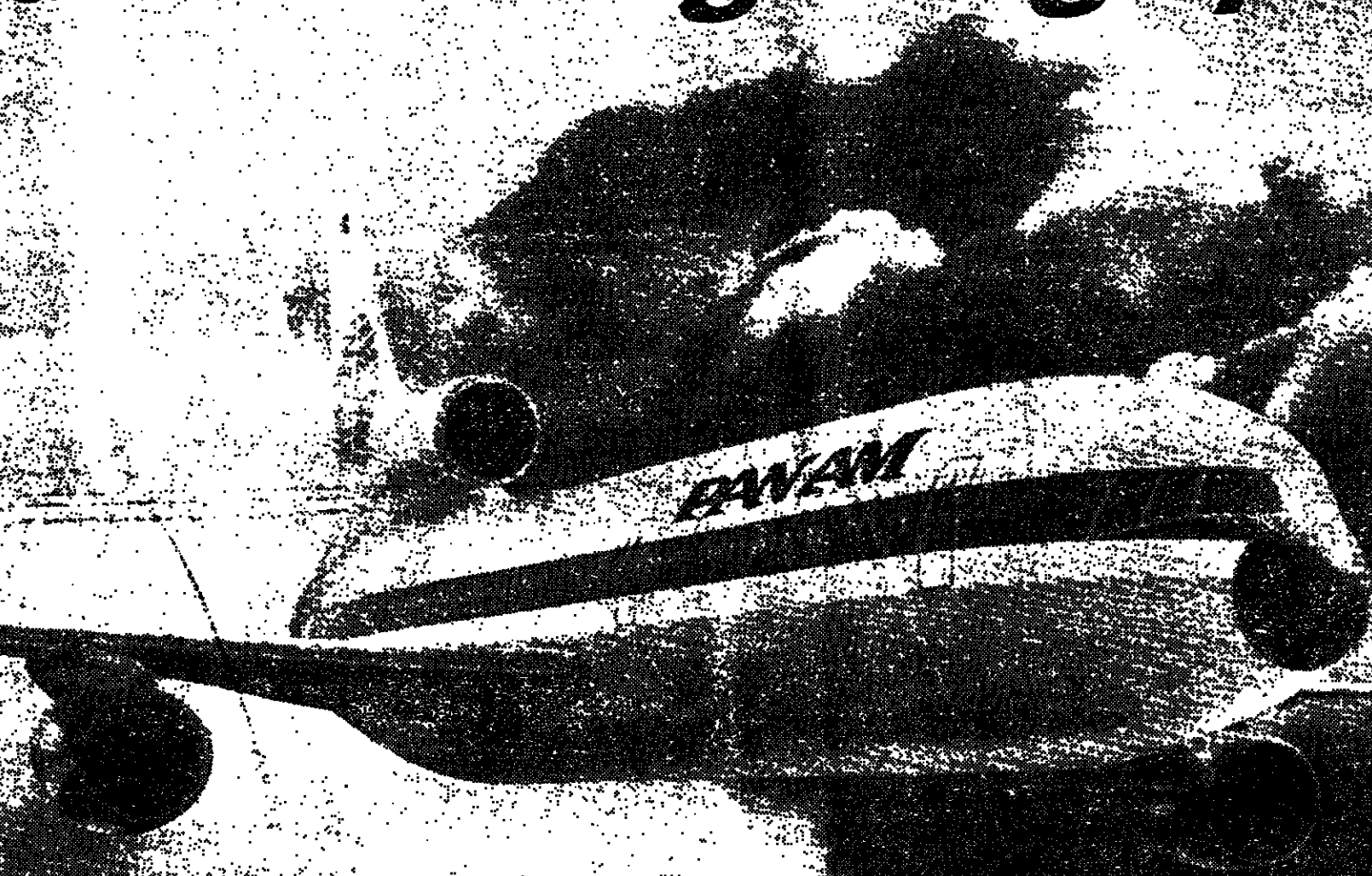
NORTHERN IRELAND

it will pay you to take a longer look

The above Bond Numbers will be redeemed at the principal offices of Chemical Bank, 20 Pine Street, New York, N.Y. 10015, U.S.A. Chemical Bank, Avenue des Arts 40, 1050 Brussels, Belgium; Chemical Bank, 100 Strand, London, W1C 2JX, England; and Chemical Bank, 5, rue de la Monnaie, 1000 Brussels, Belgium. Upon surrender of such Bonds, full payment and cancellation.

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION
Date: 28th April 1978.
Bond Number 21918 is being called for redemption as not as yet kept for payment.

Pan Am chooses the world's most advanced long-range jetliner.



The L-1011-500 TriStar.

Pan Am has chosen the long-range L-1011-500 TriStar, and that means a lot more comfort for passengers around the world on future flights.

For Pan Am, the advanced technology of the L-1011 means millions of gallons of fuel savings each year. It also means that Pan Am will be operating a wide body jetliner uniquely able to meet the changing needs of world aviation in the 1980s and 1990s.

The size and range of the L-1011-500, which can carry as many as 330 passengers up to 6000 miles, make it ideal for replacing older narrow body jets and augmenting larger jetliners on a wide range of airline routes. The Pan Am L-1011-500 will be powered by Rolls-Royce RB.211-524B engines, each producing 48,000

pounds of thrust.

The advanced technology of the L-1011-500 contributes directly to that route flexibility. It also contributes to superior passenger comfort and impressive fuel savings.

An exclusive system of Active Controls—controls run by a computer—will produce the smoothest flight of any jetliner. That same system of Active Controls will be part of a more efficient wing that helps reduce drag of air—and saves millions in fuel each year. An exclusive Flight Management system will save even more millions in fuel each year.

Passengers benefit from several other exclusive L-1011 systems. Direct Lift Control smoothes out the ups and downs passengers experience

on other jetliners during the approach to landing. And the Autoland system enables the L-1011 to land in bad weather when other jetliners are being turned away. In the U.S., for example, the L-1011 can land at 37 major airports when bad weather is forcing all other wide body jetliners to land elsewhere. And Autoland provides the smoothest of landings in good weather or bad.

Pan Am will begin operating its wide body L-1011-500 TriStars on long routes throughout the world in 1980.

The advanced technology of Pan Am's L-1011-500 TriStar. More passenger comfort, more fuel savings, more route flexibility in a changing world. More for the money.

Lockheed L-1011-500 TriStar.

The world's most advanced long-range jetliner.

European Banks International

[illegible]

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETTERS

SAFETY

Radio wave hazards under study

FOR many years it has been accepted by technical people working in radio engineering that unless human proximity to obviously high power emissions are involved, radio waves, at any frequency, are harmless. It has always been agreed that there is a fundamental difference between the effect of radiation above the visible spectrum to frequency (gamma and X-rays), and that below it (from infra-red down to long wave radio). While tissue-destructive effects occur in the former case, the only known first order effect in the latter case is heating.

In recent years, however, certain events have had popular media coverage that might lead some people to believe otherwise. Microwave were said to have been propagated through the U.S. embassy in Moscow, allegedly affecting the occupants' health. Birds have been reported to drop out of the sky at Fylingdales early warning radar station, while students in prank climbs to the top of radio transmitter towers have "rikked" sterilisation and radar technicians in the U.S. are said to have developed cataracts.

Unease caused

The fact that these stories either have not or cannot be validated in numerical terms does not unfortunately, reduce the unease they cause, particularly in the thousands of people who work in the radio manufacturing and using industries. The problem is exacerbated by an odd East-West conflict: the Russians, influenced by Pavlovian thinking, claim to have observed—and have laid emphasis on—out-maneuvring physiological effects that their opposite numbers in the U.S. have discounted.

As a result, the Russian safe limit for human exposure is 10 microwatts/sq. cm, while the U.S. limit (also used in the U.K.) is 10 milliwatts/sq. cm—a thousand times larger. The subject has been further exposed in a recent book "The Zapping of America" by Paul Broder in which it is strongly implied that the U.S. establishment has refused to take a potential hazard seriously. The book appears to be very much in the current U.S. "self-exposure" vogue and is apparently not being taken too seriously by U.K. experts.

However, as a result of these events, work is in hand in the U.S., Canada and the U.K. aimed at ultimately producing realistic figures for human exposure particularly at microwave frequencies.

A team at Canada's National Research Council, working with rats, is looking for damage that might occur to the blood-brain barrier (the capillary-end structure where blood stops and "grey matter" starts). They are also looking for hot-spots; these are areas of the body that can absorb electromagnetic energy preferentially—known as "hot spots".

Effects at different frequencies will be examined as will the prospect that, like gamma and X-rays, there can be harmful effects due to relatively low dose over long periods.

Study of dosage

This accumulated dosage study is a key feature of the work since, one again, it has always been assumed that the cancer-inducing dangers of relatively small but long term exposure to X-rays do not occur with ordinary radio waves.

Indeed, it hardly seems likely that they can occur—if they did, there would be now have been an obvious health problem in radar equipment test technicians and Post Office and BBC microwave link engineers. No such problem is known to exist.

In this country the Government in 1974 vested the task of investigating the problem in the National Radiological Protection Board at Harwell. There, a team is also looking at the effects of heating on tissue in rats and mice, taking particular interest in pulsed emissions that coincide with the brain rhythm.

Some of the findings will be made known soon but for the time being it seems that no definite conclusions have been reached and it remains to be seen whether the U.K. will adjust its safe limit to a lower level.

GEORGE CHARLISH

METALWORKING

Reduces cost of mould

MECHANICAL Engineering and Machine Tools Requirements Board of the Department of Industry have placed a contract jointly with Selly Oak Diecastings, of Worcester, and the Fulmer Research Institute to develop a new cast-to-size mould and die-making process.

Breathalyser leaves no room for doubt

PORTABLE and precise, an instrument also enables it to be efficiently and accurately used even when the subject is deeply unconscious.

Alcometer equipment operates analysis of breath alcohol. It gives an analogue read-out on a panel meter from the 640 series, a hand-held unit linked to the Wycombe, Bucks, factory of Ernest Turner Instruments, a by alcohol vapour and generated member of the Hawker Siddeley Group.

Alcometer type AE-M2, was invented by Dr. T. P. Jones, now managing director of Lion Laboratories. A small hand-held version designed for initial roadside screening purposes has been in production for nearly two years. But the new device back-of-panel mounting kit overcomes the limitations in precision of this pocket version while remaining small in size, an accuracy class of 1.5, it is portable and very simple to use.

The instrument enables on-the-spot breath alcohol analysis to the requirements of both BS and carried out with an accuracy of 12 mg/ml of actual full blood alcohol without the need to take additional blood samples. The design of the instrument is SW1Y 6DG. 01-930 6177.



One of the new electronic breathalysers undergoing calibration prior to despatch from Lion Laboratories of Cardiff.

COMMUNICATIONS

Offers many channels

LATEST radiotelephone to be put on the market by Robert Bosch GmbH has 240 switchable channels in the 75.0 to 87.5 MHz frequency band, using phase-locked loop oscillators working from a single crystal.

The channels are programmed into read-only memories and are selected by dialling up the required frequency using a digital front-panel display.

The transmitter has a wide-band RF power output stage which needs no tuning on the frequency. The receiver is a double superhet with a sensitivity of 0.7 microvolts for 20 dB signal to noise ratio on FM. The equipment meets European standards (CEPT).

More from the company at Forckenbeckstrasse 9-13, D-1000 Berlin-Wilmersdorf, Germany.

COMPUTING

Univac woos many users

ANNOUNCING all-time record results for the past financial year and anticipating the same for the current year, despite the weakness of sterling, Bill Read, managing director of Sperry Univac U.K., yesterday unveiled a series of additions to the Univac bill of fare, the most important of which could well be the data capture key-to-floppy disc 2000 series.

Univac made a lot of money for itself by moving into the key punch market at a time when most observers were predicting that key punch was to die within a year or so, which it did not.

Identifying problem areas in computing, the company has chosen to develop new fast data capture equipment that offers a series of advantages compared with other similar products in the market, most of which come from much smaller companies.

Read disclosed that the company's 1100/80 large computer had sold particularly well worldwide since its launch with some 120 systems worth an average of \$7m. delivered or on order to date, a result which made this machine the best news for Univac since the prestigious 1108.

The company has also started to offer in Europe the 90/40, a machine which bridges a gap in its own series and offers progression for users of previous generation machines. Univac ensure it is always deeper than has set up the marketing structure needed to promote the powerful Varian minicomputers acquired under a recent take-over deal.

With its major success in the TSR area and with Teesside Politec, displacing ICL in both instances, Univac seems confident that it will become number three in sales value in the U.K. very shortly.

Refrigerant detector is simple

DESIGNED for use by refrigeration and dry cleaning engineers the Halogaz will detect leaks of all gases within the appropriate range. For example, the minimum detectable level of Freon 22 would be 0.025 per cent in air, or 250 ppm.

The appliance consists of a copper burner unit in a chrome housing and a holder for the disposable butane gas cartridge. Attached to the unit is a flexible neoprene hose through which air is drawn for combustion.

Should a leak be suspected, the flexible hose would be used to probe the area until the flame changes colour from blue to green, confirming the presence of the gas in the atmosphere.

No special training is needed to operate the Halogaz and it requires virtually no maintenance apart from occasional replacement of the copper burner.

Further details from Camping Gaz, 126 St. Leonard's Road, Windsor. Windsor 55011.

FARMING

Replacing the plough

TO THE many farmers attracted to it, direct drilling has had its frustrations, if not been something of a mirage. It is nevertheless improvements in the technique are being achieved by Massey Ferguson which, with ICI, helped to pioneer it in the U.K. nearly 20 years ago.

The advantages of direct drilling are spelt out by the Agricultural Development and Advisory Services which says that many hours per acre can be reduced from 2.1 to 0.4, and that 100 acres can be established in a 40 hour week compared with only 19 by traditional ploughing.

The MF 130 incorporates both the lessons learnt from the earlier MF 30 and some new components developed at its Coventry engineering centre. It now has a patented triple disc coulters which uses a parallel link. This maintains a slightly deeper working depth whatever the coulters position. Wear on the front disc can be taken up to ensure it is always deeper than two 15-row units but a 19-row close spaced grain only model is available.

Last year over 0.5m. acres were direct drilled in this country—25,000 in France and 7m in the U.S. By 1980 MF believes well over 1m acres will be under direct drilling.

PETER CARTWRIGHT

Our fares to Africa are the same as other national airlines?

Our planes don't fly any faster.

Yet a lot of seasoned Africa travellers insist on flying with us.

Because, with a new route to Abidjan starting on May 7th, we now fly direct to more places in Africa than any other airline.

And because, unlike most other national airlines, we're an independent business.

If we didn't run a better business, we wouldn't have a business to run.



We never forget you have a choice.

Direct service from London-Gatwick to Abidjan, Accra, Algiers, Banjul, Casablanca, Dakar, Freetown, Kano, Lagos, Lusaka, Monrovia, Tripoli and Tunis

electrical wire & cable?
ANIXIE • NO MINIMUM ORDER • NO MINIMUM LENGTH
 Thousands of types and sizes in stock for immediate delivery
 LONDON 01-561818 ABERDEEN (0224) 32355/2
 MANCHESTER 061-872-4915
 TRANSFER CHARGES GLADLY ACCEPTED
 24Hr EMERGENCY NUMBER 01 637 3567 Ext 409

CWMBRAN
 NEW TOWN
 ★ Modern leasehold factories and serviced sites available immediately.
 ★ Government grants are available and substantial rent concessions may apply.
 ★ Fast new motorways and trunk roads. High Speed Trains and modern docks link you with all your suppliers and markets.
 ★ New Town housing availability.
 Cwmbran is one of Britain's most successful industrial developments—the sixth largest town in Wales, with 46,000 people, excellent housing, schools and amenities, thriving industry, and a splendid shopping centre—a magnet for the region.
 Cwmbran Development Corporation has already built and let more than 180 factories, and the current building programme provides a wide choice of industrial premises in 1978. Housing is provided for all workers in new industry, and the key men who arrive initially can be housed immediately.
 Cwmbran is little more than 2 hours from London by M4 or 14 hours by High Speed Train, and 14 hours from Birmingham by rail or motorway. Factories and serviced sites are ready NOW. Please write, telephone or use the coupon today.
 To: Mr. R. Bennett, General Manager, Cwmbran Development Corporation, Cwmbran, Gwent NP23 5RT, Wales.
 Please send me information about industrial opportunities.
 NAME _____
 POSITION _____
 COMPANY _____
 ADDRESS _____
 FT 2

Do you use components?
 Lesney components would improve your cost-effectiveness.
 They are astonishingly accurate. Ready to use. Always on time. And either diecast in zinc alloy or plastic moulded to any finish including metallized, sprayed or hot foiled.
 Ford, Hoover, Stanley, Kenwood and General Motors use them.
 Lesney will stockpile in their own warehouses and deliver by their own transport. They have multi-million capital behind them. Their technical knowledge is legendary. Their techniques are envied. And they don't let people down.
 Ron Pennyman, Managing Director, could give you many more reasons for putting Lesney's good name behind your good name.
 Call him. 01-985 5533.
LESNEY INDUSTRIES LIMITED
 Lee Conservancy Road, Hackney,
 London, E9 5PA. Telex 897319.
 Why such a small ad?
 When you're very good you needn't shout.

Profiles on grinding wheels
 A TOOL-ROOM wheel dresser for internal and external form grinding designed to produce a shaped profile on the periphery of grinding wheels and for use in tool-rooms for applications such as the grinding of formed rolls and formed reducing dies used in the rolling and drawing of rod and wire has been introduced by Kynoch Engineering.
 The pneumatically powered dresser is claimed to represent a significant advance over hand-powered dressers now in use. The unit is complete in itself and only requires two holding-down bolts and a compressed air supply of 70-100 lb/in² pressure. It can form to a depth of 1/4 inch over a 1 1/2 inch wide grinding wheel.
 More information from Kynoch Engineering, P.O. Box 216, Witton, Birmingham B8 7BA. (021-555 4948).

The Property Market

BY JOHN BRENNAN

Indexing—an alchemist's dream

COMPARING investment in direct property with gilts and equities is becoming a thriving industry in itself. But in a review of the three leading property indices, published today, Chris Walls of stockbrokers W. Greenwell and Co. comes to the view that the indexing business is something of a latter-day alchemist's dream—a great idea if it worked, but doomed to failure in practice.

In recent years Chris Walls has acquired a reputation for challenging some of the property market's basic assumptions, having sparked a heated debate on valuers' methods, and having questioned the quality of accounts reporting as well as the portfolio quality of the sector's giant, Land Securities Investment Trust.

In today's publication, "Property Indices," Mr. Walls sides up to two of the most revered of property's sacred cows and beats them over the head with remorseless logic.

Why, he asks, is direct property investment seen as a long-term investment? And is there any real proof that property is a more sound long-term holding than equity or gilts?

On the first question he argues that there is no reason in principle why property investment should be long term. "Property may, of course, in practice have to be a long term investment for various reasons, such as the length of time it takes to build, the inefficiency of the market, etc. . . . we suspect that the main reason why property is regarded as necessarily long term is simply tradi-

tion." And so, property is treated as a long term holding, "not because of some particular virtue peculiar to property, but simply as a reflection of the property market's inadequacies."

No worthwhile research

This inefficiency of the direct property market, its illiquidity and the imperfection of information flow within it, is a cornerstone of Mr. Walls' case that, having looked closely at all the property performance indices now generally available, no worthwhile research has been published which enables us to reach a conclusion on the relative investment performance of equities and property over the last decade or so. We are not arguing that property will not in the future outperform equities; simply that the case has yet to be made.

As any comparison between direct property (an inefficient market) and the stock market (in economic terms a liquid and highly efficient market) is an attempt to compare radically different animals, any attempted comparison runs into "probably insurmountable problems."

Greenwell clearly believes that the three major published property indices—The Economist Intelligence Unit/Michael Laurie Property Index, The Investors Chronicle Hillier Parker Rent Index and the Royal Institution of Chartered Surveyors/Institute of Actuaries City Rent Index—have fallen foul of these insurmountable problems. The EIU/Michael Laurie Index

is criticised for its small sample base which excludes reversionary properties and which is artificially weighted so that, inevitably, it "cannot be a true reflection of the property market, only a very limited segment of it." Proposals by EIU and Michael Laurie for a new index based on actual rather than hypothetical property portfolios are welcomed as "a much more accurate and credible guide," although not necessarily as a true reflection of the overall movement in property values in aggregate.

Overstating rents

The Investors Chronicle Hillier Parker index is attacked for its decision to choose only "prime" properties and its methodology which, since it traces year by year prime rack rental growth, "is likely in practice to overstate by a large margin the growth in rental income likely to have been experienced by an actual portfolio of properties, or indeed, by any property except one with annual rent reviews."

The RICS/Actuaries efforts are limited to a quarterly sample of rent movements in City of London offices. As the sample remains secret, Greenwell makes no comment on the quality or otherwise of this limited review. But it does point out some spectacular discrepancies between the RICS and Hillier Parker figures for rental growth, discrepancies probably arising from differing sampling dates. Of far more importance than

inbuilt problems of the individual indices is as Greenwell's comment on the use of these guides. There can be no doubt that each index has its own virtues, limited though they may be. But any attempt to use them as an objective source for direct property data is fraught with difficulties. And there is a growing and disturbing willingness among fund managers and other property market observers to turn to these indices as the only respectable evidence of trends in physical property values and to construct plausible, but fundamentally unprovable, arguments about the relative strength of property investment compared with alternative investments.

On comparisons with equities, Greenwell puts the point that, "To compare a 'prime' property . . . against an equity index which must, by its very nature, include secondary, tertiary (and worse) equities cannot be valid." And the broker doubts if the practical problems of producing a direct property index which includes all types of property—a more directly comparable index with an equity index—can be overcome. But even if data in that form did exist, Mr. Walls doubts its value because of the basically different natures of the two investment markets.

Using the 1974 crash as an example he argues that to say that property values "fell by 25 per cent., or 30 per cent., or 35 per cent., or any other number conjured out of the air as compared with a fall in equities of some 75 per cent." is not proof that property is the more sound investment.

In practice for "most types of property in 1974 the market simply ceased to exist. The much publicised 'superior quality' of property as compared with other forms of investment is not the result of some inherently superior virtue possessed by property alone, but

is simply a reflection of the market in that, beyond a certain point (reached in 1974) the direct property market becomes incapable of reflecting the underlying forces within the economy as the market dries up."

Volatility

He suggests one possible route through the labyrinth of problems preventing a clear comparison of property and equity investment. By using modern capital asset pricing theory's concept of "risk level," or volatility, it might, he believes, be shown that ungeared direct property investment's low risk level compared to geared equities could swing the balance in favour of property. But such research would also need to balance the low volatility against property's illiquid nature and the risk that to-day's "prime" investment may become to-morrow's increasingly unsaleable and lower income generating secondary property, either as investment fashions change, or as the building is overtaken by new designs or new business needs. As Greenwell concludes, even if a satisfactory yardstick of past property performance could be devised, "this will not necessarily help us in deciding what will be the future relative performance of property."

Greenwell could, and no doubt will be, accused of beating sacred cows for the fun of it. But assault and battery of cherished traditions does help to sort out unquestioned assumptions from facts. And in the indexing business, although the three indices chosen by the broker for review are the best available, there are too many assumptions and, necessarily, too few facts to justify the dangerous tendency to misuse these guides as objective proof of property's primacy in the investment world.

In Brief . . .

MICHAEL EVANS, chairman of the British Property Federation's Residential Property Committee, describes a recent Shelter report on student accommodation as being, "couched in emotional and regrettable terms."

Shelter, the housing pressure group, attacked universities and other educational establishments for "exploiting a loophole in the law" by making use of security of tenure exemption clauses in the 1974 Rent Act.

Under the Act, educational establishments are allowed to become head tenants on privately rented property. The university and college then sub-lets the accommodation to students, and the property is not then bound by the security of tenure provisions of the Act.

Shelter sees this use of the Weathersall Green and Spait exemption provisions as a breach of the spirit of the Rent Act. But Evans believes that students are an initial yield of just over 7 per cent. need private landlords, and that most Coway Hall acted for the tenancy exemptions are essential.

Mr. Evans argues that the "penal provisions" of the Rent Act prevent landlords from letting directly to students, and "Students," he says, "are one of the many categories of people who need an available supply of short-term rented accommodation. But for the Rent Act, this could and would be supplied by private enterprise."

LAZARD PROPERTY Unit Trust has been on the buying trail again, paying £350,000 for 151 Postlethwaite's Cheapside office Estates 53,000 square feet trading estate at Stratton Road, to M and G's Upper Thame Swindon. Lazard, advised by Street headquarters.

PRIME YIELDS

	1977					1978				
	J	J	A	S	O	J	J	A	S	O
Central London	5.25	5.25	5.25	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Provincial	5.5	5.5	5.5	5.5	5.5	5.25	5.25	5.25	5.0	5.0
Industrial/warehouses	7.25	7.25	7.0	7.0	7.0	6.75	6.5	6.5	6.5	6.5
Shops	5.25	5.25	5.0	5.0	5.0	4.75	4.5	4.5	4.5	4.5
Minimum lending rate	8.0	8.0	7.0	6.0	5.0	7.0	6.5	6.5	6.5	7.5
2½ Consols	12.98	12.8	12.15	11.31	11.0	11.4	10.84	10.6	11.1	11.2

may do it feels, give an impression that yields are lower than they really are. And "to say that prime properties should not be purchased in 1978 at yields below 5 per cent. might well (retrospectively) prove a miscalculation." But Savills concedes that this feeling is now a psychological barrier to lower yields.

Relaxation of ODP controls may, in the agent's view, have influenced the shape of commercial portfolios, as offices' appeal has been necessarily reported often months after completion

INDUSTRIAL AND BUSINESS PROPERTY

K for Industry

BATH

Factory/Warehouse
15,730 sq. ft.
Re-development alternative
FOR SALE FREEHOLD

BARKING, Essex

Single Storey Warehouse with Land
37,000 sq. ft. on 2½ Acres
Lease for disposal

BEDFORD

New Warehouse/Factory Units
6,000/10,000/12,000 and
20,000 sq. ft. TO LET

CHELTHAM

Warehouse
22,310 sq. ft.
TO LET

CITY BORDER, E.1

Warehouse
14,700 sq. ft. Sprinklers
2 Lifts—TO LET

ERDINGTON

Last remaining Warehouse/Factory Unit
15,500 sq. ft.—Site for further development
10/40,000 sq. ft. TO LET

HOVE

New Warehouse Units
9,000-43,500 sq. ft.
TO LET — Available late 1978

UXBRIDGE (M.40)

Factory, Stores and Offices
5,500 sq. ft.
For sale Leasehold

King & Co

Chartered Surveyors
1 Snow Hill, London, EC1
01-236 3000 Telex 885485
Manchester, Leeds and Brussels

ECONOMIC OFFICES TO LET IN THE CITY AND SOUTHWARK.

Address	Sq. Ft.	Description
Lee House, London Wall, Rent by negotiation	4,200 or EC2 7,515	Open plan office in major tower block, fronting Wood Street at ground level.
New Broad Street, £7.50 per sq. ft.	EC2 2,545 or 3,700 or 6,245	Ideally placed for most professional firms. Short or long leases available. Private offices or open plan.
St. Helen's Place, £9.50 per sq. ft.	EC3 1,830	Very close to the Bank and insurance communities. The offices are efficiently planned in a building whose common parts are being totally refurbished
St. Helen's Place, Rent by negotiation	EC3 272	One room in building being upgraded. Good representative office.
Minories, £6.50 per sq. ft. approx.	EC3 2,480	In the heart of the shipping and commodity market. Completely modernised and carpeted. Exceptional value.
London Bridge, Rent by negotiation	EC4 4,295	River-front building comprising a mixture of open plan and private offices. Common parts at present being refurbished.
New Bridge Street, £5 per sq. ft. approx.	EC4 1,200	A good address in a rapidly improving street. Modernised light functional offices.
Southwark Street, £4.75 per sq. ft.	SE1 1,313 or 4,781 or 6,184	An Office building in main street south of the river with all modern amenities. 7-year lease without review.
Blackfriars Road, Rent by negotiation	SE1 3,855 or 4,620 or 8,475	Prestige, air-conditioned. Ground Floor. Just south of the bridge. Probably the best space on offer in this area at the moment.

FOR FURTHER DETAILS CONTACT
THE CITY AGENCY DEPARTMENT,

St Quintin
Son & Stanley
Chartered Surveyors

Vintry House, Queen Street Place, London EC4R 1ES.
Telephone: 01-236 4040

VENTURE WAY

ALFRETON, DERBYSHIRE

LEASE FOR SALE

on
HEADQUARTERS, OFFICES & SHOWROOMS
14,500 sq. ft. (approx.)

and
WAREHOUSE/FACTORY (Sprinklered)
46,000 sq. ft. (approx.)

With land for a further 46,000 sq. ft. approx.
Fully heated and lighting for
IMMEDIATE OCCUPATION

The buildings were completed and first occupied in 1977

Full details:

HALLAM BRACKETT

8 LOW PAVEMENT
NOTTINGHAM
Tel. 0602 51414

CHARTERED SURVEYORS Members of PROPERTY AGENTS INTERNATIONAL LTD

Peterborough Development Corporation

FACTORY SITES 1/2-100 acres

Ring John Case

07-35-68731

Only 850 yds
from the Bank
of England?

New air-conditioned
offices in units from
6000-32,000sq.ft.?



JESSE LINTOTT & ASSOCIATES
Chartered Surveyors
London Office Consultants
15 Seymour Street London W1
01-935-6856

Richard Saunders
& Partners
27-32 OLD JEWRY
LONDON EC2H 8DD
TEL. 066-7461

Only £8.50
per sq. ft.

مكاتب العمل

INDUSTRIAL PROPERTY

To let

London S.E.1	3,900-28,000 sq. ft.
Aston, Birmingham	17,700 sq. ft.
Aberdeen, Bridge of Don	7,350 sq. ft.
Bedford	5,000-20,000 sq. ft.
Milton Keynes	4,750-27,850 sq. ft.
Norwich	4,000-20,000 sq. ft.
Great Yarmouth	units from 3,700 sq. ft.
Lowestoft	units from 3,250 sq. ft.
Droitwich, Worcs.	units from 2,000 sq. ft.
Nantwich, Cheshire	7,300 sq. ft.

Industrial land for sale

Aberdeen, Droitwich, Milton Keynes, Norwich.

DRIVERS JONAS
15 PALL MALL, LONDON SW1Y 5NF

On the instructions of
Nuffield Nursing Homes Trust

Edinburgh

19-21 Drumsheugh Gardens

FOR SALE:

Four Terraced Stone
Buildings
Approx. 17,500 sq. ft. net
with car parking

Richard Ellis, Chartered Surveyors
75 Hope Street, Glasgow G2 6AJ
Telephone: 041-204 1931 Telex: Rescot 778847

Richard Ellis

GREAT TOWER STREET, EC3

OFFICES TO LET
10,000 sq. ft.

W BERRY TEMPLETON
LTD

PROPERTY CONSULTANTS

154 JF

Superb
conditioned
offices to be let
1000-12,000 sq. ft.

POY
LONDON HEATH

READY TO
33,000 sq. ft. at
£8.945 sq. ft.

UNITS AVAILABLE

WELLERS
HARDING

JOINT

TO LET

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

JOINT

Industrial
Property

at the touch of a button.

Gatwick Airport.
Warehouse Units To Let 10 - 20,000 sq. ft.
To be Built 10 - 145,000 sq. ft.

Greater Manchester.
Warehouse/Factory Units To Let
10 - 350,000 sq. ft.
+ Land for Redevelopment.

Chessington, Surrey.
Factory + Offices For Sale/To Let.
65,000 sq. ft.

Runcorn, Merseyside.
Factory To Let/Lease for Sale.
28,000 sq. ft.

City Fringes, EC2.
Refurbished Office/Warehouse/Showroom.
11,250 sq. ft.

One of the JLV COMPUTON services

Required for Clients.
Warehouse/Distribution Centre/Offices.
100,000 sq. ft.
Reading/Wokingham/Maidenhead.
Site would be considered.

Wanted for Major Applicants.
Site of 10 acres for development of
175,000 sq. ft. Factory/Offices.
Berkshire/Herts/Bucks/Bedfordshire.

JONES LANG WOOTTON
Chartered Surveyors

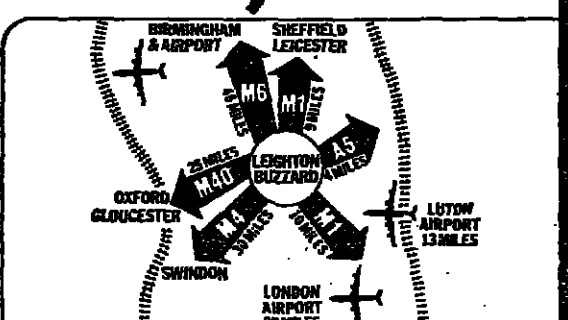
Industrial Dept.,
33 King Street, London EC2V 8EE.
Tel: 01-606 4060. Telex: 885557.

WAREHOUSE/FACTORY UNITS LEIGHTON BUZZARD, BEDS.

Superb central location-quality
specification-competitive rents-5000sq.ft.
upwards-or to your requirements

Contact:
Peter Deverell, Marley Estates Ltd.,
Cherrycourt Way, Stanbridge Road,
Leighton Buzzard, Bedfordshire.
Tel: Leighton Buzzard (05253) 59106 anytime.

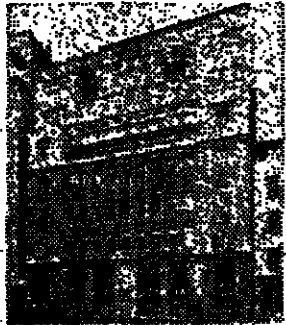
MARLEY ESTATES LTD



Why Leighton Buzzard? Ideal for distribution all over
Britain via 5 motorways, A1M and A5, Luton Airport,
Birmingham Airport, and London Heathrow. Main line rail
networks between London, the North and Scotland.

154 Fleet Street, EC4

**Superb
air-conditioned
offices to be let**
Units from 2,000-28,000 sq. ft.



**Building entirely
refurbished**
Every modern amenity

- * Full air conditioning
- * Three automatic passenger lifts
- * Prestige entrance hall
- * Carpeted throughout

Anthony Lipton & Co
38 Curzon Street, London W1J 1.
Telephone: 01-491 2700

**Good location in
major office area**

The property is situated on the northern side of Fleet Street between Fetter Lane and Ludgate Circus. Blackfriars, Holborn Viaduct and Chancery Lane Underground Stations are all within easy reach.

Hillier Parker
39 King Street, London EC2.
Telephone: 01-406 3851

POYLE LONDON HEATHROW AIRPORT READY TO BE LET

33,000 sq. ft. NEW WAREHOUSES
inc. 8,945 sq. ft. PRESTIGE OFFICES
UNITS AVAILABLE 8 - 67,000 sq. ft.

Sole Agents: **McKAY SECURITIES GROUP**

MELLERSH & HARDING 43 ST. JAMES'S PLACE
LONDON SW1A 1PA
01-493 8141 Telex: 24310
Chartered Surveyors

CLOSE LLOYD'S OFFICE FLOOR TO LET 4510 sq ft

JOINT SOLE AGENTS:

**MATTHEWS
GOODMAN**

**Baker
Harris
Saunders**

24 - 26 Mortimer Street,
London W1M 6AE
Telephone: 01-623 6695

**TO LET
PRESTIGE CITY OFFICES E.C.3**
500-1,500 SQ. FT. GROUND FLOOR, ST. MARY AXE
1,700 SQ. FT. SEVENTH FLOOR, DUKE'S PLACE
SHORT LEASE. ALL SERVICES
Apply: Ref. AKD, Cayer, Irvine Property Management Ltd.
24 St. Mary Axe, London EC3
Tel: 01-283 4343

ROUND OFFICE

THE MOST EXCLUSIVE
OFFICE FURNITURE
IN THE BUSINESS
SWEDLINE LTD.
15 Old Court Place
London W8
Tel. 01-937 0806/2605

VICTORIA

IDEAL COMPANY HEADQUARTERS
OFFICES 6,300 Sq. Ft.
Plus
1,400 Sq. Ft. STORES/OFFICES

EXCELLENT OFFICES AVAILABLE
ARRANGED ON GROUND & FIRST FLOORS

- * IMPRESSIVE PRIVATE ENTRANCE
- * 24-HOUR ACCESS
- * PART AIR-CONDITIONING
- * CAR PARKING
- * CARPETING
- * PIED A TERRE
- * KITCHENS

FIRST YEAR RENTAL
Only £25,000 p.a.x.

on a New Lease by arrangement

**DOUGLAS LYONS
AND LYONS**
331 Curzon Street, London W1W 8ED
Telephone 01-235 7333

Leighton Goldhill & Partners
Albion House 220 Albion Street, London W1X 4ED
Tel: 01-493 3211

ABERDEEN

**SMALL PARADE OF
SUBURBAN SHOPS
INVESTMENT
FOR SALE**
Producing £10,550 p.a. Yielding
in excess of 16%. Excellent
growth prospects.

BERNARD THORPE
34 George Street, Edinburgh.
Tel. 031-226 4484

MODERN LIGHT INDUSTRIAL PREMISES SLAYDON TYNE AND WEAR

79,000 sq. ft.
production area with 3,900 sq. ft.
offices all set in 6 acres approx.
ideally suited to clothing trade or
warehousing.
FREEHOLD R.V. £19,500
FOR SALE
at less than half modern building costs.
Only £295,000 for quick sale
For further details contact: **JOHN GOSSETT**
STORY SONS & PARKER,
Higham House, New Bridge Street,
Newcastle upon Tyne, NE1 8AU.
Tel: 0632 24291

G. F. SINGLETON & CO.,
53, King Street, Manchester.
Tel: 061-832 8271.

BEDFORD TO LET FACTORY PREMISES

17,000 sq. ft.
only 86p per sq. ft.

Full details:
KILROY COMMERCIAL
50, ST. LOYES, BEDFORD
Telephone: (0234) 50952

ISLE OF MAN

AUCTION WEDNESDAY, 17th MAY
Unless sold previously
4.3.8 acres approx.
South facing, 150 yards road frontage.
Approved in principle 22.5 acres resi-
dential, 40 years of building. Air-
ports 6 miles. U.K. Agents: Hammett
Ratcliffe, P.O. Box 11, High Wycombe,
Bucks. 0494-21234. Attention of Mr.
D. E. Brown, Chartered Surveyors,
Ramsay, Isle of Man. 0624-812236.

THE TURNING POINT IN YOUR SEARCH FOR A SCOTTISH FACTORY.

Today, there's a new entry
point to Scotland's industrial property
market. The Scottish Development Agency.
We have over 3 million square feet of
available factory space strategically
situated throughout Scotland, and the
financial muscle to help solve your
investment problem. Here is just a
selection. (All sizes are in square
feet.)

SCOTTISH DEVELOPMENT AGENCY FACTORIES

BORDERS REGION
Coldstream (2 at 2,500)
Eyemouth (10,250)
Glasgow (2 at 2,500)
Hawick (2 at 2,500 &
14,750) Kelso (2 at 2,500)
Lauder (2,000 & 1,750)
Selkirk (4 at 2,500)
Tweedbank (10,250 & 4
at 2,500)
CENTRAL REGION
Airth (10,000) Alva (4 at 2,500) Banff (10,000) Falkirk
(4 at 2,500) Stirling (2 at 2,500)
DUMFRIES AND GALLOWAY REGION
Dalbeattie (2,500) Galloway (2 at 2,500) Kirkcubright (1,500)
Newton Stewart (2 at 3,000 and 2 at 2,500) Sanquhar
(43,250) Stranraer (10,250)
FIRE REGION
Ayr (2 at 2,500) Cowdenbeath (4 at 2,500) Cupar
(2 at 2,500) Kirkcaldy (10,250) Leven (2 at 2,500)
GRAMPIAN REGION
Aberdeen (2 at 2,500) Ballinlurg (1,750) Banff (2 at 2,500) Bude
(10,500) Dumfries (2,500) Elton (2 at 2,500) Huntly
(2 at 2,500)
LOTHIAN REGION
Edinburgh (Peeblesmill) (10,500)

STRATHCLYDE REGION
Bath (1,250) Blantyre (70,500 & 52,000)
Bottwellpark (19,500 & 19,750 & 157,000)
Carlin (26,500) Cathrine (1,750) Chapelhall
(26,000) Clydebank (19,500 & 2 at 10,250 &
32,500) Dalmeilston (2 at 2,500) Darvel
(5 at 2,500) Girvan (3 at 2,500 & 20,250)
Greenock (128,500 & 4 at 2,500) Inchinnan
(42,500 & 19,500) Kilsyth (15,750) Kilwinning
(40,000) Lanark (2,500) Larbert (128,000 &
6,750) Lesmahagow (4 at 4,500 & 6,500)
Motherwell (4 at 2,500) Multisirk (1,750)
Newhouse (24,000 & 53,000 & 82,000 & 57,250 & 15,750)
Paisley (16,500) Port Glasgow (20,750 & 51,500) Presthwaik
(10,000) Vale of Leven (25,000 & 15,000)
GLASGOW
Cambuslang (27,000 & 16,500 & 11,000) Camthorne (5,250)
Hillingdon (87,250 & 33,750 & 65,750 & 10,750 & 18,000 &
19,750 & 8 at 5,000 & 21,500 & 1,500 & 7,750 & 4,500)
Kinning Park (2 at 6,500) North Cardonald (116,000 & 5,250)
Queenslie (2 at 62,750 & 2 at 25,000 & 41,500 & 52,000 &
27,000 & 10,500 & 25,000) Shieldhall (25,000 & 15,250)
Springburn Corvairs (17,750) Thornliebank (2 at 1,500
& 2,500 & 3,250 & 4 at 8,750 & 7 at 9,500 & 18,000)
TAYSIDE REGION
Alyth (2 at 2,500) Blairgowrie (2 at 2,500) Brechin (4 at 2,500)
DUNDEE
Baldovie (2 at 2,500)
HIGHLANDS & ISLANDS*
Thurso (10,000) Caenlochan (1,500) Brora (2,500) Inverness
(10,000) Dalnacoll (15,500) Strathdon (6,000) Fort William
(4,000) Portree (2,500) Dalburgh (2,500) Tarbert (Farris)
(1,500) Inveraray (3,250 & 1,750) Salen (1,500) Taster
(Argyll) (1,500) Islay (1,500) Campbeltown (6,000)

*Factories in the Highlands and Islands are owned and
administered by the Highlands & Islands Development
Board, Inverness.

Full details from James Gorie,
Head of Information, on extension 267
at the number below.

Scottish Development Agency
120 Bothwell Street, Glasgow G2 7JP.
Tel: 041-248 2700. Telex: 777630.

SCOTLAND'S INDUSTRIAL FRONT DOOR

HAMMERSMITH, W.6.

Freehold for sale

PRIME INDUSTRIAL PROPERTY

with development potential for factory/warehouse units
subject to planning consent

Total site area approximately 5.5 acres

300,000 sq. ft. of obsolete buildings, together with
13,000 sq. ft. office block and 12,000 sq. ft. workshops
of modern construction

W BERRY TEMPLETON
LTD
PROPERTY CONSULTANTS

47 Great Russell Street
London, W.C.1.
Telephone: 01-637 4577

HAYWARDS HEATH

Sussex

**25,000 sq. ft. PRESTIGE
NEW OFFICE BUILDING
PRIME LOCATION**

Write Box T4870, Financial Times,
10 Cannon Street, EC4P 4BY.

26-27 Cockspur Street, SW1

**OFFICES
6,500 sq. ft.
plus Basement storage
TO BE LET**

01-491 2788

Cluttons

74 Grosvenor Street, London W1X 9DD

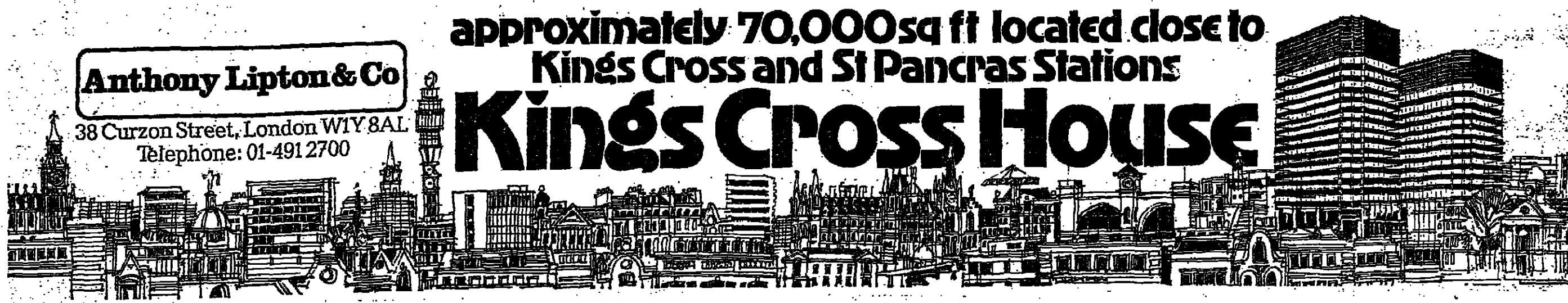
Phase II of a major office development to let Subject to consents

approximately 70,000 sq ft located close to
Kings Cross and St Pancras Stations

Kings Cross House

Anthony Lipton & Co

38 Curzon Street, London W1Y 8AL
Telephone: 01-491 2700



OFFICE SITE

urgently required for clients
in
central London/inner suburbs

A freehold site
or existing
modern building

240,000-300,000
sq. ft. net (BWM)



Knight Frank & Rutley
20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

John German Ralph Pay

Office Building-London S.E.5

6,000 sq. ft. — TO LET

- * Excellent Location for West End/City *
- * Completely Self Contained *
- * 20 Car Parking Spaces *
- * Full Central Heating *

127 MOUNT STREET
LONDON W1Y 6BL

01-499 9671 TELEX 28729

JOHN D. WOOD

URGENT REQUIREMENT

12/14,000 SQ. FT. MODERN OFFICES

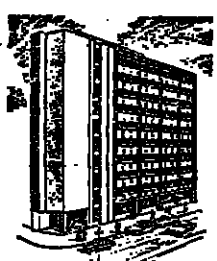
N.W. LONDON—ACCESS M1/M4

20 car parking spaces

Details to: (Ref. JLM/ASH).

23 Berkeley Square, London W1X 6AL.

Tel: 01-629 9050. Telex: 21242.



INVEST IN
ANTWERP

Belgium, THIRD PORT OF THE
WORLD. New office building,
prestige site facing the river, 20
storeys, 2,835 sq. m. office
space. Purchase price £7,000,000 BF
including all costs and VAT. Rental
price: £6,000,000 BF p. annum plus
yearly index rise.

Information to:
Daniel de Surve
17A av. de la Toison d'Or
1040 BRUSSELS, Belgium
Tel: 533.84.80
Telex: 23529 DEUR B

All these securities having been sold, this advertisement appears as
a matter of record only.

THIRD PROPERTY ASSOCIATES UNIT TRUST

"BOYDELL COURT"
TRUST VALUE
£1.73 Million

All units have now been subscribed

Managers: Westgrove Securities Ltd.
100 Park Street
London W1
01-629 1248

HAILSHAM Sussex

Freehold
Single Storey
WAREHOUSE

9,600 sq ft

on 1.5 acre site

EDWARDSYMONS

& PARTNERS

TEL: 01-834 8454

56, 52 Wilton Road, London SW1V 1DH

FITZROY SQUARE W.1

FREEHOLD OFFICE PROPERTY
WITH MEWS GARAGE

FOR SALE

Price £295,000

Further details apply:

BRADFORD & CO.

40, Goudge Street, W.1. 01-436 8448

PROPERTY APPOINTMENTS

PROPERTY INVESTMENT MANAGER

Expanding our activities we now require a well experienced
person for the above post at our Head Office near Watford.
Ideally the successful applicant, who will be between the
approximate ages of 35 and 45, should have been involved in
the property investment field at a senior level.
Reporting to the Board, the person appointed will be responsible
for the management of our existing property and land resources
and will undertake investigations and evaluations and make
recommendations regarding future acquisitions.
A salary, reflecting the importance of the appointment, will be
negotiated and other benefits include a company car, and mem-
bership of our Contributory Pension Scheme.
Applications, giving full personal and career details and quoting
reference FT.101, should be addressed to:

The Managing Director
THOMAS MCINERNEY & SONS LTD.
The Green
Croxley Green
Rickmansworth
Herts. WD3 3HN
Tel: Rickmansworth 76622

BARCELONA

Office in Plaza Catalunya, heart of
banking, insurance and business, near
Bank of Spain, Bank of Bilbao, Bank
of London, etc. 250 sq. metres, air
conditioning, acoustic insulation.
Ground floor in showroom/office part
of the city. Modern building, air con-
ditioning, 230 sq. metres. New lease.
Leases will be negotiated in London.
Avenue realted.
Write Box T.4871, Financial Times,
10, Cannon Street, EC4P 4BT.

SHOPS AND OFFICES

SITTINGBOURNE

KENT

Modern Offices

In Town Centre

9090 sq. ft.

TO LET

£20,000 p.a.

WARD & PARTNERS

49 HIGH STREET,
CHATHAM, KENT.

TEL: 0634 409228

WORLD TRADE CENTRE

LONDON

Self-contained suites of 657, 848 &
9000 sq. ft. for immediate occupation.
Full range of facilities available in-
cluding 24 hour telephone & telex
and secretarial services.
Marketing Dept. 01-488 2400

For further details contact:

OFFICE PARTITIONING
AND CEILING

PARTITIONS PERMANENT DEMOUNT-
ABLE. 01-834 8454. 01-834 8454.

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

01-834 8454

APPOINTMENTS

C. A. Hogg becomes a deputy chairman of Courtaulds

Mr. C. A. Hogg has been ap-
pointed an additional deputy
chairman of COURTAULDS. Mr.
Hogg joined the group in 1968
and became a director of Cour-
taulds in October, 1973. He has
overall responsibility for the
consumer products, packaging
and paint activities of the group.

Mr. Derek Rogers has been
appointed circulation sales
director of MIRROR GROUP
NEWSPAPERS from May 1. Mr.
Ron Cotton is to be deputy cir-
culation sales director and continues
as circulation sales manager of
the Daily Mirror. Mr. Michael
Lloyd will be group marketing
manager responsible for perfor-
mance evaluation of the main
revenue areas. These are the
first appointments to be made by
Mr. Brian Dowling, group
marketing director, in establish-
ing a new marketing department.

Mr. M. J. Monk and Mr. D. M. G.
Monk will be joining WALTER
WALKER AND CO., stockbrokers,
as associates on May 2.

Mr. C. C. F. Laidlaw, a manag-
ing director of British Petroleum,
has been appointed a director of
the COMMERCIAL UNION
ASSURANCE COMPANY. Mr.
J. R. Ford, actuary international,
will be leaving Commercial Union
on May 3, following his appoint-
ment as Australian Government
Actuary in Canberra.

Mr. F. G. Mulrynn and Mr. J. M.
Siddall have retired from the
Board and Mr. Alistair Grant, Mr.
David Webster and Mr. John
Campbell have been appointed
directors of MORGAN EDWARDS.

Mr. W. A. Mallinson is to
become vice-chairman of SMITHS
INDUSTRIES on August 1 and
will be succeeded as managing
director by Mr. F. R. Hurst. Mr.
J. W. Thompson will be deputy
managing director.

Mr. Ron Tregoning has been
appointed financial manager for
the newly formed SEAGRAM
EUROPE organisation and con-
tinues as financial director of
Seagram Distillers.

The MINISTRY OF DEFENCE
states that Mr. J. Ellis will become
director projects and research,
Military Vehicles and Engineer-
ing Establishment, Chertsey,
Surrey, from June 1, in succession
to Mr. I. H. Johnston, who has
been made deputy controller.
R. and D. Establishments and
Research B, and Chief Scientist
(Army).

Mr. John Mills will be joining
HILL SAMUEL AND CO. next
month with special responsibility
for oil and energy, particularly
in relation to the Middle East. It
is proposed that he will become
a director of the bank. Mr. Mills
has been general manager and
chief executive of Lindsey Oil
Refinery for the last eight years.

The Secretary for Energy has
appointed Mr. Frank Holloway as
a part-time member of the
NATIONAL COAL BOARD from
May 1 for three years. Mr.
Holloway is managing director,
finance and supplies, at the
British Steel Corporation.

Mr. Diarmuid Downes, chairman
and managing director of Ricardo
and Company, has been elected
the president of the INSTITUTION
OF MECHANICAL ENGINEERS in
succession to Sir Hugh Ford.

Mr. J. W. D. Campbell, chairman
and managing director of Mann
Spartan and Company, has
become president of the MOTOR
AGENTS ASSOCIATION in suc-
cession to Mr. Norman Quick.

Lord Walfenden has become
president of the METROPOLITAN
ASSOCIATION OF BUILDING
SOCIETIES, following the retire-
ment of Lord Wakefield of
Kendal.

Mr. Wolfe J. Frankl has been
made managing director of U.S.
TRUST LONDON.

Captain E. D. G. Lewin has
retired as deputy chairman of
BRITISH AEROSPACE DYN-
AMICS GROUP. Following service
in the Royal Navy, Captain Lewin
became a director of Blackburn



Mr. C. A. Hogg

been appointed chairman of P.
MANAGEMENT CONSULTANT
and Mr. John Bunker has joined
the Board. The company operates
in the U.K. and Ireland, and
part of P.A. International.

Mr. M. C. D. Goodchild has been
appointed a director of UDISCO
BROKERS.

Mr. C. F. Owen has been
appointed deputy chairman of
WESTON-EVANS GROUP and Mr.
L. Kyrk, company secretary, has
been made a director. Mr. G.
Ferguson-Lacey and Mr. E. C.
Moffitt have joined the Board.

Mr. F. J. Peers has been
appointed director and general
manager of WILLIAM ATKIN
HEAD, a Hawker Siddely
company.

Mr. C. W. Brodbeck has been
appointed deputy chairman of
SMITH ST. AUBYN AND CO.
(HOLDINGS) and of Smith St.
Aubyn Company.

and General Aircraft (later the
Blackburn Group) in 1957. He was
appointed chairman of Hawker
Siddely Dynamics on the forma-
tion of British Aerospace in April
1977, becoming deputy chairman,
Dynamics Group, in December
1977.

PRESTOLD HOLDINGS, the
commercial refrigeration and air-
conditioning arm of SP Industries,
has announced the appointment
of Mr. Michael Hankins as man-
ufacturing director of its Snow
Hermetic Unit Division. Mr.
Hankins has held senior manu-
facturing appointments in the
automotive industry in the power
train field.

Mr. John Richardson has been
appointed managing director of
PRODUCTION STAINLESS
STEELS. He was previously mar-
keting and sales manager at
Charles Wade and Co.

Arthur Young McClelland
Moore and Co., and C. A. Hunt-
ington and Co. Liverpool, an-
nounce that from May 1 their
respective insolvency practices will
merge and will continue under
the name of ARTHUR YOUNG
MCLELLAND MOORE AND CO.

Mr. F. W. Taylor and Mr. G. J.
Chambers, of C. A. Huntington,
will join the partnership. Mr. F.
Gilbert Parr retires on April 30
as a partner of the Liverpool
office of Arthur Young McClelland
Moore and Co. from May 1. Mr.
Christopher J. Frankland, Mr.
John E. Smith, Mr. Bernard Whe-
well and Mr. David Weir will be
admitted into the partnership. Mr.
Frankland and Mr. Smith will be
resident in the London office. Mr.
Weir will be in the Manchester office
and Mr. Weir in the Liverpool
office.

CITY OF GLASGOW FRIENDLY
SOCIETY, Mr. David B. Dickson,
general manager, is made cou-
sultant. Mr. David Wright, deputy
general manager and actuary,
becomes general manager and
actuary. Mr. Robert G. Thomson,
assistant secretary, is now joint
actuary with A. L. R. Bramley.

Mr. Alan Vignati has been
appointed to the post of president
of VAN INTERNATIONAL, in the
U.K.

SP Industries (formerly Ley
and Special Products) has
appointed Mr. Courtney Ryan as
managing director of BARNFORD
OF BELTON. Mr. Peter Duval
has been made director, special
projects for Alvia. They take up
their new posts on May 1.

Mr. Brian Stale has been
appointed managing director of
BROCKHOUSE CHATWIN PRE-
CISION.

Investing in North Sea
and America oil and gas
production through

Viking Resources
International N.V.

Listed on the Amsterdam
Stock Exchange

The quarterly report as
of 31st March, 1978
has been published and
may be obtained from

Pierson, Haiding & Pierson N.V.
Herengracht 214, Amsterdam

A FINANCIAL TIMES SURVEY



INTERNATIONAL PROPERTY

MONDAY JUNE 5 1978

The Financial Times proposes to publish a survey on International Property on
Monday June 5 1978. The main headings of the provisional editorial synopsis are set
out below.

INTRODUCTION Property dealers around the world have been polishing up real
estate's recently tarnished image as the most secure of long-term investments. The
dealers have been forced to redouble their normal propaganda efforts because of
the evident gap between promise and performance in world property investment
markets over the past four years.

THE MARKETS:

EUROPE: FRANCE • WEST GERMANY • THE NETHERLANDS • BELGIUM • ITALY
IRELAND • SCANDINAVIA • EASTERN EUROPE • SPAIN
NORTH AMERICA: THE UNITED STATES • CANADA • SOUTH AMERICA: BRAZIL
AFRICA: REPUBLIC OF SOUTH AFRICA • NIGERIA

AUSTRALIA

FAR EAST: HONG KONG • SINGAPORE • JAPAN
MIDDLE EAST: EGYPT • IRAN • UNITED ARAB EMIRATES

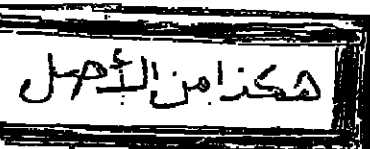
For further details on the editorial content and advertising rates please contact
Cliff Caunter

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

Tel: 01-248 8000 Ext. 234

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion
of the Editor.



The Management Page

Why Britain is so weak in product innovation

BRITAIN'S "chronic" under-investment in skills and technology has left it in a far weaker position than its industrialised competitors to exploit the potential for new products and therefore new employment. Yet competitive success in manufacturing will depend increasingly on innovation, in specialised design and market research skills as well as technological strength in machine building, process engineering and the application of electronics.

This is the bleak message to emerge from two papers in recent weeks by Mr. Keith Pavitt, senior fellow of the Science Policy Research Unit at Sussex University, which reflect much of the Unit's recent work.

The U.K.'s weak position can be traced back to under-investment in both skills and technology since the beginning of this century, but has been still worsened in the past 10 to 12 years by "a precipitous decline" in its industrial research and development, compared with that of other OECD countries, Mr. Pavitt argued.

His papers, presented at a course run by Bradford Management Centre, and at a conference of the technological forecasting division of the European Association for Indus-

trial Marketing Research, provided a deeper and more extensive analysis of the need for product innovation—and Britain's particular problems—than Hugh Parker's recent analysis (this page, March 14).

One of Mr. Parker's main arguments was that manufacturing industry in the less developed countries (LDCs) would soon be moving "up-market" from basic into intermediate and, ultimately, into higher technology products, thus challenging established industries in the Western world across a broad front.

This challenge had not yet been widely perceived because it was still indirect, Mr. Parker maintained, in that the U.K. and other Western countries were not yet meeting the LDCs as competitors in third countries on a substantial scale.

To this explanation of the need for greater product innovation—and widespread unaware-

ness of the problem—Mr. Pavitt added the point that conventional economic thought denies that technical change raises long-term problems; a theory he rejected in forceful terms.

Much of his supportive

manufacturing challenge from the less developed countries, Mr. Pavitt forecast three types of major influence on technical change in the OECD area over the next 20 years:

● Changing patterns of demand

BY CHRISTOPHER LORENZ

material was drawn from unpublished studies—such as evidence challenging the fashionable view that consumers spent more and more of their income on services rather than goods as they grew richer between the 1950s and 1970s.

Mr. Pavitt also warned against assuming that "the future of manufacturing industry can be neglected" because the "service sector" will be able to absorb surplus labour.

In addition to the growing

for consumer and intermediate products.

● Higher energy and environmental costs.

● The impact of micro-processors on products and processes; and other technological advances, in materials and the chemical industry in particular.

Some of these influences will dampen growth and employment, others will augment them. Standard consumer goods (refrigerators, washers, etc.) and standard bulk materials (plastics, fibres, fertilisers, pesticides) will be particularly depressed, Mr. Pavitt warned.

These, of course, were some of the fastest-growing product areas in the 1950s and 1960s.

Future growth in demand for them from the OECD countries will be dampened both by increasing market saturation, and by higher investment costs, he argued.

Warning

"Employment trends will turn down even more sharply," Mr. Pavitt warned, thanks to growing imports from low-wage countries, plus the pressures and opportunities for introduction of labour-saving techniques. Even the product groups where growth prospects remain strongest, electronic capital and consumer goods, will be affected by these pressures, he noted.

Whereas the less developed countries will become increasingly competitive in some consumer goods, he argued that other types of consumer goods were likely to continue growing

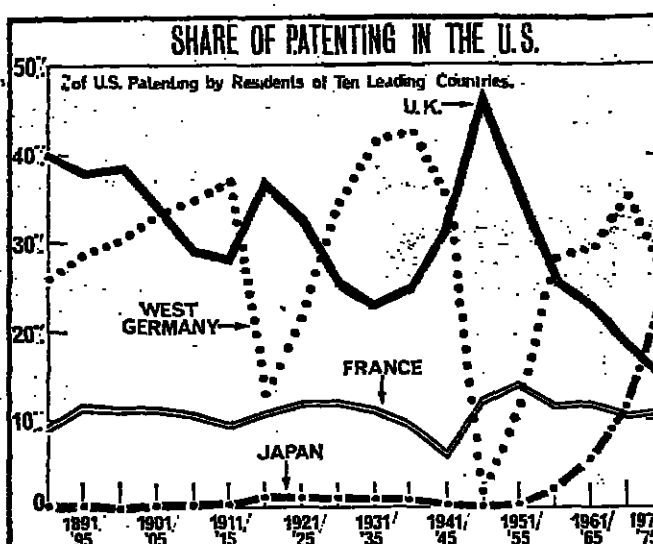
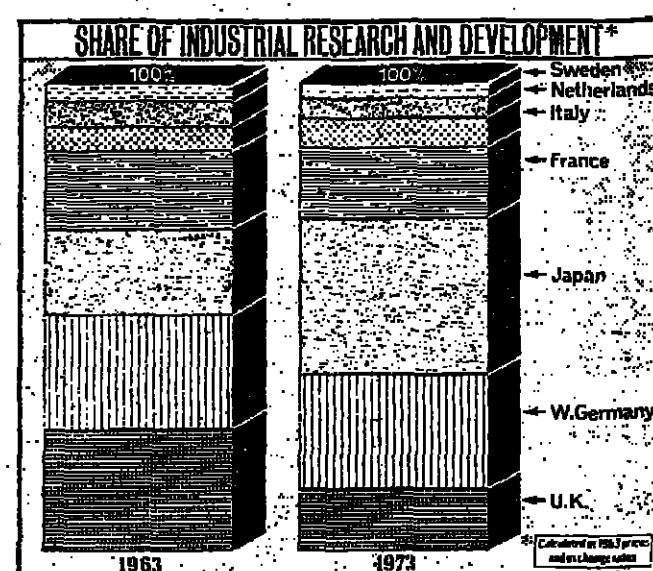
Spending

Rather than spending an ever bigger proportion of their income on services than goods as they grew richer between the mid-1950s and -1970s—this was the most widely-held view of post-war consumer spending patterns—customers spent their money on private cars instead of public transport; TV and Hi-Fi instead of cinemas, theatres and concerts; non-iron clothes, washing machines and dishwashers to replace domestic help. In other words, they replaced labour-intensive services with "domestic capital goods."

Similar trends could be envisaged in consumers' future expenditure on education, health and domestic energy, throwing up demand for such products as TV-linked electronic devices; self-diagnosis; and the so-called "soft" energy sources, solar panels and cells, heat pumps and so on.

In intermediate goods, areas for expansion would be coal-based energy and chemical products; fine instead of bulk chemicals; special instead of bulk steels; and more flexible process technologies, in steel and biochemistry, for example.

The greatest scope for new market growth would be in capital goods. Obvious examples



Source: The top chart is based on OECD statistics received in 1977 and analysed by the Science Policy Research Unit. The graph is based on information supplied to the Unit by the Office of Technology Assessment and Forecast, U.S. Department of Commerce.

were energy and labour-saving machinery; the low-wage countries would provide growing markets for process equipment and machinery from the OECD area.

The impact of all these trends on manufacturing employment has already been mentioned, and is becoming widely accepted by businessmen, trade unionists and politicians. More controversial is Mr. Pavitt's warning that many of the service industries would be affected by the same dampening tendencies: gas, electricity, water, communications, commerce, banking and large parts of public administration would all be affected, with computerisation and the introduction of word processing just two of the influences.

Growth in employment in many services will be closely linked to success in manufacturing, for example, the production of educational programmes for electronic consumer goods. Mr. Pavitt also suggested that the further development of some services (health, education, recreation), "depend on the creation of a satisfactory surplus in manufacturing industry."

Time and time again, then, Mr. Pavitt's papers rained home the increasing need for product and process innovation in the OECD countries. Some of them were in a much better position than others to adapt to, and take advantage of, all the growing constraints and opportunities, he argued.

West German industry was particularly well placed, he considered, given the quality and quantity of its technical skills and R and D activities, and its demonstrated strength in machine-building and process engineering. For various rea-

sons, the Netherlands, Sweden, Switzerland and Japan were also in a strong position.

For France and the United States, the situation was "uncertain," Mr. Pavitt said it was not yet clear whether France's industrial recovery since the war had produced the right sort of technological capabilities. U.S. industrial technology "may not be as strong as the conventional wisdom assures us," especially in machine-building. Countries he considered to be weak included the recently industrialised ones in southern Europe, who might not yet have created the requisite technological capabilities, and the U.K. His gloomy analysis of the U.K.'s position and prospects is explained in the second article on this page.

Challenge

If his arguments will provoke despondency in British industry, they will also irritate many economists, both in Europe and North America. He challenged the view of "the two most influential schools of economic thought in the OECD countries"—neo-classical and Keynesian—that technical change creates no major long-run problems, provided certain conditions are met: that the factors of production are flexible, that their relative prices reflect conditions of supply and demand, and that aggregate demand is expanded in line with productive capacity.

"Such a view is inadequate," according to Mr. Pavitt. Many of the short-term problems—which conventional economic thought admits may arise—seem to be taking a long time to work themselves out, "and long-term equilibrium may be something we never reach, since there is always some new disturbance." "In other words," he continued, "the short-term is becoming the long-term, the long-term is receding to infinity, and so-called 'problems of frictional adjustment' are becoming central concerns of policy. This is certainly true for the individual firm; it is also true of government policies for specific sectors or regions, as they adjust to the consequences of technical change or changing competitive conditions, or as they attempt to compete in world markets on the basis of some advantage in skill and technology." So the future directions and effects of technical change were a legitimate concern of public as well as company policy, Mr. Pavitt emphasised.

Patently disturbing

MR. PAVITT'S attack on the decline in U.K. industrial innovation was based on his analysis of two measures of innovative activity: R and D statistics compiled by the U.K. and other OECD governments since the 1960s; and last year's report from the Department of Commerce on the national origin of patents filed in the U.S. since 1953.

The Department of Commerce figures, collected through the Office of Technology Assessment and Forecast, show that the U.K.'s share of patents awarded since 1950, from almost 40 per cent to just over 14 per cent of the total awards to the 10 leading industrialised countries which are now OECD members (excluding the U.S. itself).

The decline has, as one would expect, been most marked in relation to the more recently industrialised countries: Italy, the Netherlands, Sweden and—above all—Japan. But it has also been noticeable in com-

U.K. INDUSTRIAL INNOVATION, BY SECTOR				
(Total R & D expenditure as a % of net output)				
	1963	1968	1972	1975
Total manufacturing	4.4	4.1	3.7	3.3
Food, drink & tobacco	1.2	1.1	0.9	0.8
Chemicals & drugs	6.3	5.8	5.4	4.7
Petroleum products	8.6	8.1	7.8	7.2
Iron, steel & other metal products	2.1	2.0	1.5	1.5
Mechanical eng.	3.2	3.2	2.1	2.8
Scientific instrs.	5.0	4.6	5.5	5.9
Electrical & electronic	21.2	21.1	18.9	18.4
Shipbuilding	1.9	1.8	1.3	2.4
Motor vehicles	4.5	4.8	4.3	5.3
Aircraft & missiles	42.5	34.2	34.6	29.6
Fabricated metal products	1.8	1.8	1.6	1.6
Textiles & man-made fibres	1.6	1.1	1.0	1.4

Source: U.K. Government statistics, analysed by SPRU.

parison with older industrialised nations such as Belgium, France and Germany, Mr. Pavitt pointed out. Some of the key statistics are reflected in the charts.

Thus the recent decline of the U.K. relative to West Germany

in particular was part of a long-term trend. The belief, prevalent in the early and mid-1960s, that the U.K. was a great technological power with a "dowry" to give Europe, was an illusion because it lacked historical perspective, he concluded.

Since the 1960s, much more detailed and comparable statistics on R and D and patenting in the U.S. have been available. For the U.K., their overall message is that only a handful of industrial sectors have been improving their levels of innovation, in relative international terms. OECD statistics show that, between 1963 and 1973, industry-financed R and D increased in real terms in all OECD countries except the U.K., where it stagnated, declining from more than 15 to just under 10 per cent of the equivalent U.S. total.

The chart compares industry-financed R and D in 1963 and 1973. It shows a sharp fall-off in Britain's position relative to other countries. In 1963, it was at about the same level as West Germany. By 1973, it had fallen well below Japan, Germany and France.

One of the most telling set of statistics is summarised in the table, which traces the ratio of R and D expenditure to net output in 12 sectors of British industry over the 12 years 1963-75. It confirms that there has been a decline since the 1960s in the proportion of resources that industry devotes to R and D.

Decline

The most marked decline has been in ferrous and non-ferrous metals, mechanical engineering—"the heartland of British engineering," as Mr. Pavitt called it—fabricated metal products and electrical and electronic engineering. The only strong upward trends have been in chemicals and shipbuilding.

Industrialists were castigated by Mr. Pavitt for this reduction in the share of resources they commit to R and D. He claimed that the newly-analysed international statistics cast doubt on many of the conventional explanations: an economic environment which is not conducive to investment in industry; low growth and low profits reducing the resources available for innovation; and lower expansionary expectations about the future.

Mr. Pavitt emphasised that many other countries' sector-by-sector breakdown of R and D shows nothing like the same depressing trend. And he questioned why there should have been a much sharper downturn in some U.K. sectors than in others. The performance of the mechanical engineering sector seems particularly worrying; the point is rammed home by Mr. Pavitt's claim that there has been a fall since 1970 in the number of qualified scientists and engineers employed in U.K. mechanical engineering.

Performance

Another relevant factor is the Unit's research into whether, as one would suspect, the trade performance of most industrial sectors is closely related to their rate of innovation. The results appear to be positive.

Mr. Pavitt ended on almost the only available positive note: the performance of the chemical industry had shown that it was possible in the U.K. to commit an increasing proportion of resources to innovative activities, and to improve its position relative to other countries.

*Science Policy Research Unit, Mantell Building, Palmer, Brighton BN1 9RF. Telephone: 0273 655758.

WRITE EMERY INTO THE CONTRACT

Order Smedley McAlpine Ltd.

PLEASE SUPPLY: *Bismuth Sulfide*

QUANTITY: *100 lbs*

DELIVERY DATE: *22/05/78*

SEND IT EMERY AIR FREIGHT

SIGNATURE: *William Smedley McAlpine*

When you're waiting for a consignment from one of your suppliers, don't take any risks with the airfreight company.

Put Emery Air Freight on your routing order and get that secure feeling from having specified the world's most experienced and efficient air freight company.

We've got over 140 offices around the world, so no matter where your goods are coming from, we'll get them to you.

More importantly, because we have complete control, we can tell you exactly where your consignment is at any given time, thanks to our world wide tracking system.

Emery collect, control and deliver—all in all we take the trouble out of transport.

Write Emery into the contract and stop worrying.

*London (Ashford-Middx) 69-45921

Birmingham 021-706-6491 Leeds 0532 562526

Manchester 061-437-6121 Prestwick 0292-70511

EMERY
Air Freight
Everything's urgent to us.

In the Middle where it Matters?

It's not just a matter of being in the middle of the road, it's a matter of being in the middle of the action. At Emery, we can do that for you. We can get your goods to where they need to go, when they need to go, and how they need to go. We can get you to London, Manchester, Glasgow, or anywhere else you can think of. We can get you to the airport, the port, the warehouse, the factory, the shop, the office, the home. We can get you to where it matters.

We can get you to where it matters. We can get you to where it matters. We can get you to where it matters.

We can get you to where it matters. We can get you to where it matters. We can get you to where it matters.

We can get you to where it matters. We can get you to where it matters. We can get you to where it matters.

We can get you to where it matters. We can get you to where it matters. We can get you to where it matters.

We can get you to where it matters. We can get you to where it matters. We can get you to where it matters.

20

LOMBARD

Cartels and the Commission

BY GEOFFREY OWEN

EUROPE'S list of what the Japanese call SAIs (structurally ailing industries) appears to be lengthening. Oil refining, petrochemicals, paper, synthetic fibres, steel, shipbuilding, shoes—these are all sectors which, in whole or in part, are said to suffer from "structural" weaknesses; that is, the surplus capacity which exists is not just the result of the present recession, but is likely to last for a good many years and may even get worse. There are suggestions that these problems can only be tackled at a European level. The European Commission, it is argued, must draw up a plan, perhaps involving curbs on new investment, assistance with scrapping obsolete capacity and limitations on imports while the restructuring process takes place; the plan then has to be implemented in co-operation with member governments.

Japanese model

The model for this is Japan. The Ministry of International Trade and Industry (MITI) has been working hard on the problem of the SAIs, which are thought to account for about 20 per cent of sales and employment in manufacturing industry. Extensive surveys have been made and in most sectors a capacity reduction of at least 10 per cent is required. MITI has proposed a "special recessionary industry credit fund" to be financed by government and the private sector, which would help to subsidise a scrapping programme. MITI also wanted the power to formulate industry-wide capacity reduction schedules and to oblige all companies to fall in line; mergers designed to reduce capacity would be exempt from the anti-monopoly law.

This last was too much even for Japan's relatively weak anti-trust agency, the Fair Trade Commission, and a somewhat watered-down version of MITI's proposals is now before the Diet. MITI must obtain the consent of the Fair Trade Commission before authorising joint capacity reductions. But with these amendments MITI will be able to intervene in the affairs of the SAIs in a pretty drastic way, with detailed guidance on how, where and when plants should be closed down.

Is this kind of industry-wide rationalisation feasible or desirable in Europe? Of course it is up to the industry department of the Brussels Commission, even under the energetic Viscount Davignon. Nevertheless, a good many people seem to want the



The tide is turning

Improved labour relations feed-processing and distribution have also led to greater confidence on the part of shippers, and greatly improved financial results. At a time when all ports are suffering from the stagnation in world trade, Liverpool has just managed to return its second year of profit. Pre-tax profits of £4.6m—after payment of interest and depreciation—were reported earlier this month by the Mersey Docks and Harbour Company, the successor company which now occupies the old baroque impressive block at Liverpool's pier head. This brings the total profit for the past two years up to nearly £10m, compared with losses totalling £8m in the previous four years.

The recovery is also a reflection of the major efforts made by the port over recent years to adapt to changes in the pattern of trade. General cargo has continued to decline, but, with a £50m investment in new facilities at Royal Seaforth, Liverpool has been able to offer improved specialist handling for timber, grain, meat and other trades as well as modern container berths. Port-related developments have followed the improvement in facilities. Three important mills belonging to Kellogg, Allied Mills and Continental Grain have been located alongside grain facilities. Elsewhere in the port United Molasses is building a new bulk vegetable oil tank installation, and Pfizer is developing a site in Birkenhead for a new animal

ag. But although Liverpool has undoubtedly had a good run for the past two years, new problems are looming which will have to be solved if the recovery programme is to remain on target. Though the labour force is down from a total of 16,000 some 15 years ago, the continued drop in

general cargo is again leading to a surplus of labour. Renewed uncertainty over jobs, as a result of this, is inevitably making it more difficult for the port to achieve the increase in productivity needed to bring Liverpool into line with some of the most efficient ports both on the Continent and in the U.K. High Manning levels also feed their way back into prices charged to port users, harming Liverpool's efforts to win new trade. Liverpool already suffers from a reputation of being expensive and only this week a 12.5 per cent increase in portage was announced.

There are other structural problems, too, to be overcome. Oil imports through Transmex have been a stable source of revenue, but the bulk of this traffic—at one time as much as 9m. tonnes a year—is now being lost following the development by Shell of its new single-buoy mooring system off Anglesey. Another major traffic at Birkenhead, iron ore, will be lost with the ending of iron-making at the nearby Shotton steelworks.

Further development of Seaforth is likely to play an important part in the efforts to counteract the loss of these trades. Container traffic at Seaforth, at 126,000 tonnes last year, is still below break-even point of 160,000 but losses at the terminal have been reduced from £1m. in 1976 to £100,000 last year. A boost to container trade should come, however, with the provision of a £750,000 rail terminal, talks on which are

By RHYS DAVID,

Northern Correspondent

M-Lolshan is fast enough to concede 8lb at Newcastle

IN SPITE of looking just in need of the race, Captain Ryan Price's M-Lolshan put up a smart effort in finishing second to Hawaiian Sound, in the Heath Stakes at Newcastle eight days ago.

The Findon colt, a son of Levrom, is suggested as the best each-way proposition in Newcastle's XYZ Handicap.

I hope to see Esa Alkahafis

overhauled 100 yards from home by the favourite, Colway Boy, in the one-and-a-half mile Everingham Maiden Stakes.

Blou Hemel reappears on the popular Yorkshire track for this afternoon's Hesse Stakes over the same trip and there will be a good many local racegoers prepared to take her to go one better.

She seems certain to make her presence felt without perhaps being quite good enough to cope with the Calvin Pritchard-Gordon-trained Newmarket-raised Flurry Knox, the two-and-a-half-length conqueror of Ekels Pride at Warwick on his only previous appearance this term.

Looking ahead to next week's Guinness meeting at Newmarket, Emery's trainer, Maurice Zilber, has announced that the saddle horse, the 1,000 Guineas. The only other likely filly classic is Best Girl—but no means certain to last out the

RACING

BY DOMINIC WIGAN

colt proved too fast for Michael Stoute's course winner So Gifted, to whom he will be conceding 8 lb.

A fortnight ago at Beverley, the Virginia Boy mare Blou Hemel came close to causing the season's biggest upset so far when, at odds of 50-1, she was

On-in the West Country, 2.00 Women's 2.25 Time of Day, 2.30 Women's 2.35 The Udding, 2.40 Women's 2.45 Nemo, 2.50 Crossroads, 3.00 Report West, 3.05 Report West, 3.10 Report West, 3.15 David's World, 3.20 The "Seven Women".

HTV Cymru/Wales & ITV General Service, 3.25 Time of Day, 3.30 Women's 3.35 The Udding, 3.40 Women's 3.45 Nemo, 3.50 Crossroads, 4.00 Report West, 4.05 Report West, 4.10 Report West, 4.15 David's World, 4.20 The "Seven Women".

HTV West & ITV General Service, 4.25 Time of Day, 4.30 Women's 4.35 The Udding, 4.40 Women's 4.45 Nemo, 4.50 Crossroads, 5.00 Report West, 5.05 Report West, 5.10 Report West, 5.15 David's World, 5.20 The "Seven Women".

ANGLIA
1.20 p.m. Anglia News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

ATV
1.20 p.m. ATV News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

BORDER
1.20 p.m. Border News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

CHANNEL
1.20 p.m. Channel News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

GRAMPIAN
1.20 p.m. Grampian News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

GRANADA
1.20 p.m. Granada News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

HTV
1.20 p.m. HTV News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

TYNE TEES
1.20 p.m. Tyne Tees News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

ULSTER
1.20 p.m. Ulster News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

WESTWARD
1.20 p.m. Westward News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

YORKSHIRE
1.20 p.m. Yorkshire News, 2.25 Friday Film: "The Udding", 3.30 The Udding, 4.30 The Udding, 5.30 The Udding, 6.30 The Udding, 7.30 The Udding, 8.30 The Udding, 9.30 The Udding, 10.30 The Udding, 11.30 The Udding, 12.30 The Udding.

BBC Radio
5.00 a.m. BBC Radio 1, 5.30 a.m. BBC Radio 2, 6.00 a.m. BBC Radio 3, 6.30 a.m. BBC Radio 4, 7.00 a.m. BBC Radio 5, 7.30 a.m. BBC Radio 6, 8.00 a.m. BBC Radio 7, 8.30 a.m. BBC Radio 8, 9.00 a.m. BBC Radio 9, 9.30 a.m. BBC Radio 10, 10.00 a.m. BBC Radio 11, 10.30 a.m. BBC Radio 12, 11.00 a.m. BBC Radio 13, 11.30 a.m. BBC Radio 14, 12.00 a.m. BBC Radio 15, 12.30 a.m. BBC Radio 16, 1.00 a.m. BBC Radio 17, 1.30 a.m. BBC Radio 18, 2.00 a.m. BBC Radio 19, 2.30 a.m. BBC Radio 20, 3.00 a.m. BBC Radio 21, 3.30 a.m. BBC Radio 22, 4.00 a.m. BBC Radio 23, 4.30 a.m. BBC Radio 24, 5.00 a.m. BBC Radio 25, 5.30 a.m. BBC Radio 26, 6.00 a.m. BBC Radio 27, 6.30 a.m. BBC Radio 28, 7.00 a.m. BBC Radio 29, 7.30 a.m. BBC Radio 30, 8.00 a.m. BBC Radio 31, 8.30 a.m. BBC Radio 32, 9.00 a.m. BBC Radio 33, 9.30 a.m. BBC Radio 34, 10.00 a.m. BBC Radio 35, 10.30 a.m. BBC Radio 36, 11.00 a.m. BBC Radio 37, 11.30 a.m. BBC Radio 38, 12.00 a.m. BBC Radio 39, 12.30 a.m. BBC Radio 40, 1.00 a.m. BBC Radio 41, 1.30 a.m. BBC Radio 42, 2.00 a.m. BBC Radio 43, 2.30 a.m. BBC Radio 44, 3.00 a.m. BBC Radio 45, 3.30 a.m. BBC Radio 46, 4.00 a.m. BBC Radio 47, 4.30 a.m. BBC Radio 48, 5.00 a.m. BBC Radio 49, 5.30 a.m. BBC Radio 50, 6.00 a.m. BBC Radio 51, 6.30 a.m. BBC Radio 52, 7.00 a.m. BBC Radio 53, 7.30 a.m. BBC Radio 54, 8.00 a.m. BBC Radio 55, 8.30 a.m. BBC Radio 56, 9.00 a.m. BBC Radio 57, 9.30 a.m. BBC Radio 58, 10.00 a.m. BBC Radio 59, 10.30 a.m. BBC Radio 60, 11.00 a.m. BBC Radio 61, 11.30 a.m. BBC Radio 62, 12.00 a.m. BBC Radio 63, 12.30 a.m. BBC Radio 64, 1.00 a.m. BBC Radio 65, 1.30 a.m. BBC Radio 66, 2.00 a.m. BBC Radio 67, 2.30 a.m. BBC Radio 68, 3.00 a.m. BBC Radio 69, 3.30 a.m. BBC Radio 70, 4.00 a.m. BBC Radio 71, 4.30 a.m. BBC Radio 72, 5.00 a.m. BBC Radio 73, 5.30 a.m. BBC Radio 74, 6.00 a.m. BBC Radio 75, 6.30 a.m. BBC Radio 76, 7.00 a.m. BBC Radio 77, 7.30 a.m. BBC Radio 78, 8.00 a.m. BBC Radio 79, 8.30 a.m. BBC Radio 80, 9.00 a.m. BBC Radio 81, 9.30 a.m. BBC Radio 82, 10.00 a.m. BBC Radio 83, 10.30 a.m. BBC Radio 84, 11.00 a.m. BBC Radio 85, 11.30 a.m. BBC Radio 86, 12.00 a.m. BBC Radio 87, 12.30 a.m. BBC Radio 88, 1.00 a.m. BBC Radio 89, 1.30 a.m. BBC Radio 90, 2.00 a.m. BBC Radio 91, 2.30 a.m. BBC Radio 92, 3.00 a.m. BBC Radio 93, 3.30 a.m. BBC Radio 94, 4.00 a.m. BBC Radio 95, 4.30 a.m. BBC Radio 96, 5.00 a.m. BBC Radio 97, 5.30 a.m. BBC Radio 98, 6.00 a.m. BBC Radio 99, 6.30 a.m. BBC Radio 100, 7.00 a.m. BBC Radio 101, 7.30 a.m. BBC Radio 102, 8.00 a.m. BBC Radio 103, 8.30 a.m. BBC Radio 104, 9.00 a.m. BBC Radio 105, 9.30 a.m. BBC Radio 106, 10.00 a.m. BBC Radio 107, 10.30 a.m. BBC Radio 108, 11.00 a.m. BBC Radio 109, 11.30 a.m. BBC Radio 110, 12.00 a.m. BBC Radio 111, 12.30 a.m. BBC Radio 112, 1.00 a.m. BBC Radio 113, 1.30 a.m. BBC Radio 114, 2.00 a.m. BBC Radio 115, 2.30 a.m. BBC Radio 116, 3.00 a.m. BBC Radio 117, 3.30 a.m. BBC Radio 118, 4.00 a.m. BBC Radio 119, 4.30 a.m. BBC Radio 120, 5.00 a.m. BBC Radio 121, 5.30 a.m. BBC Radio 122, 6.00 a.m. BBC Radio 123, 6.30 a.m. BBC Radio 124, 7.00 a.m. BBC Radio 125, 7.30 a.m. BBC Radio 126, 8.00 a.m. BBC Radio 127, 8.30 a.m. BBC Radio 128, 9.00 a.m. BBC Radio 129, 9.30 a.m. BBC Radio 130, 10.00 a.m. BBC Radio 131, 10.30 a.m. BBC Radio 132, 11.00 a.m. BBC Radio 133, 11.30 a.m. BBC Radio 134, 12.00 a.m. BBC Radio 135, 12.30 a.m. BBC Radio 136, 1.00 a.m. BBC Radio 137, 1.30 a.m. BBC Radio 138, 2.00 a.m. BBC Radio 139, 2.30 a.m. BBC Radio 140, 3.00 a.m. BBC Radio 141, 3.30 a.m. BBC Radio 142, 4.00 a.m. BBC Radio 143, 4.30 a.m. BBC Radio 144, 5.00 a.m. BBC Radio 145, 5.30 a.m. BBC Radio 146, 6.00 a.m. BBC Radio 147, 6.30 a.m. BBC Radio 148, 7.00 a.m. BBC Radio 149, 7.30 a.m. BBC Radio 150, 8.00 a.m. BBC Radio 151, 8.30 a.m. BBC Radio 152, 9.00 a.m. BBC Radio 153, 9.30 a.m. BBC Radio 154, 10.00 a.m. BBC Radio 155, 10.30 a.m. BBC Radio 156, 11.00 a.m. BBC Radio 157, 11.30 a.m. BBC Radio 158, 12.00 a.m. BBC Radio 159, 12.30 a.m. BBC Radio 160, 1.00 a.m. BBC Radio 161, 1.30 a.m. BBC Radio 162, 2.00 a.m. BBC Radio 163, 2.30 a.m. BBC Radio 164, 3.00 a.m. BBC Radio 165, 3.30 a.m. BBC Radio 166, 4.00 a.m. BBC Radio 167, 4.30 a.m. BBC Radio 168, 5.00 a.m. BBC Radio 169, 5.30 a.m. BBC Radio 170, 6.00 a.m. BBC Radio 171, 6.30 a.m. BBC Radio 172, 7.00 a.m. BBC Radio 173, 7.30 a.m. BBC Radio 174, 8.00 a.m. BBC Radio 175, 8.30 a.m. BBC Radio 176, 9.00 a.m. BBC Radio 177, 9.30 a.m. BBC Radio 178, 10.00 a.m. BBC Radio 179, 10.30 a.m. BBC Radio 180, 11.00 a.m. BBC Radio 181, 11.30 a.m. BBC Radio 182, 12.00 a.m. BBC Radio 183, 12.30 a.m. BBC Radio 184, 1.00 a.m. BBC Radio 185, 1.30 a.m. BBC Radio 186, 2.00 a.m. BBC Radio 187, 2.30 a.m. BBC Radio 188, 3.00 a.m. BBC Radio 189, 3.30 a.m. BBC Radio 190, 4.00 a.m. BBC Radio 191, 4.30 a.m. BBC Radio 192, 5.00 a.m. BBC Radio 193, 5.30 a.m. BBC Radio 194, 6.00 a.m. BBC Radio 195, 6.30 a.m. BBC Radio 196, 7.00 a.m. BBC Radio 197, 7.30 a.m. BBC Radio 198, 8.00 a.m. BBC Radio 199, 8.30 a.m. BBC Radio 200, 9.00 a.m. BBC Radio 201, 9.30 a.m. BBC Radio 202, 10.00 a.m. BBC Radio 203, 10.30 a.m. BBC Radio 204, 11.00 a.m. BBC Radio 205, 11.30 a.m. BBC Radio 206, 12.00 a.m. BBC Radio 207, 12.30 a.m. BBC Radio 208, 1.00 a.m. BBC Radio 209, 1.30 a.m. BBC Radio 210, 2.00 a.m. BBC Radio 211, 2.30 a.m. BBC Radio 212, 3.00 a.m. BBC Radio 213, 3.30 a.m. BBC Radio 214, 4.00 a.m. BBC Radio 215, 4.30 a.m. BBC Radio 216, 5.00 a.m. BBC Radio 217, 5.30 a.m. BBC Radio 218, 6.00 a.m. BBC Radio 219, 6.30 a.m. BBC Radio 220, 7.00 a.m. BBC Radio 221, 7.30 a.m. BBC Radio 222, 8.00 a.m. BBC Radio 223, 8.30 a.m. BBC Radio 224, 9.00 a.m. BBC Radio 225, 9.30 a.m. BBC Radio 226, 10.00 a.m. BBC Radio 227, 10.30 a.m. BBC Radio 228, 11.00 a.m. BBC Radio 229, 11.30 a.m. BBC Radio 230, 12.00 a.m. BBC Radio 231, 12.30 a.m. BBC Radio 232, 1.00 a.m. BBC Radio 233, 1.30 a.m. BBC Radio 234, 2.00 a.m. BBC Radio 235, 2.30 a.m. BBC Radio 236, 3.00 a.m. BBC Radio 237, 3.30 a.m. BBC Radio 238, 4.00 a.m. BBC Radio 239, 4.30 a.m. BBC Radio 240, 5.00 a.m. BBC Radio 241, 5.30 a.m. BBC Radio 242, 6.00 a.m. BBC Radio 243, 6.30 a.m. BBC Radio 244, 7.00 a.m. BBC Radio 245, 7.30 a.m. BBC Radio 246, 8.00 a.m. BBC Radio 247, 8.30 a.m. BBC Radio 248, 9.00 a.m. BBC Radio 249, 9.30 a.m. BBC Radio 250, 10.00 a.m. BBC Radio 251, 10.30 a.m. BBC Radio 252, 11.00 a.m. BBC Radio 253, 11.30 a.m. BBC Radio 254, 12.00 a.m. BBC Radio 255, 12.30 a.m. BBC Radio 256, 1.00 a.m. BBC Radio 257, 1.30 a.m. BBC Radio 258, 2.00 a.m. BBC Radio 259, 2.30 a.m. BBC Radio 260, 3.00 a.m. BBC Radio 261, 3.30 a.m. BBC Radio 262, 4.00 a.m. BBC Radio 263, 4.30 a.m. BBC Radio 264, 5.00 a.m. BBC Radio 265, 5.30 a.m. BBC Radio 266, 6.00 a.m. BBC Radio 267, 6.30 a.m. BBC Radio 268, 7.00 a.m. BBC Radio 269, 7.30 a.m. BBC Radio 270, 8.00 a.m. BBC Radio 271, 8.30 a.m. BBC Radio 272, 9.00 a.m. BBC Radio 273, 9.30 a.m. BBC Radio 274, 10.00 a.m. BBC Radio 275, 10.30 a.m. BBC Radio 276, 11.00 a.m. BBC Radio 277, 11.30 a.m. BBC Radio 278, 12.00 a.m. BBC Radio 279, 12.30 a.m. BBC Radio 280, 1.00 a.m. BBC Radio 281, 1.30 a.m. BBC Radio 282, 2.00 a.m. BBC Radio 283, 2.30 a.m. BBC Radio 284, 3.00 a.m. BBC Radio 285, 3.30 a.m. BBC Radio 286, 4.00 a.m. BBC Radio 287, 4.30 a.m. BBC Radio 288, 5.00 a.m. BBC Radio 289, 5.30 a.m. BBC Radio 290, 6.00 a.m. BBC Radio 291, 6.30 a.m. BBC Radio 292, 7.00 a.m. BBC Radio 293, 7.30 a.m. BBC Radio 294, 8.00 a.m. BBC Radio 295, 8.30 a.m. BBC Radio 296, 9.00 a.m. BBC Radio 297, 9.30 a.m. BBC Radio 298, 10.00 a.m. BBC Radio 299, 10.30 a.m. BBC Radio 300, 11.00 a.m. BBC Radio 301, 11.30 a.m. BBC Radio 302, 12.00 a.m. BBC Radio 303, 12.30 a.m. BBC Radio 304, 1.00 a.m. BBC Radio 305, 1.30 a.m. BBC Radio 306, 2.00 a.m. BBC Radio 307, 2.30 a.m. BBC Radio 308, 3.00 a.m. BBC Radio 309, 3.30 a.m. BBC Radio 310, 4.00 a.m. BBC Radio 311, 4.30 a.m. BBC Radio 312, 5.00 a.m. BBC Radio 313, 5.30 a.m. BBC Radio 314, 6.00 a.m. BBC Radio 315, 6.30 a.m. BBC Radio 316, 7.00 a.m. BBC Radio 317, 7.30 a.m. BBC Radio 318, 8.00 a.m. BBC Radio 319, 8.30 a.m. BBC Radio 320, 9.00 a.m. BBC Radio 321, 9.30 a.m. BBC Radio 322, 10.00 a.m. BBC Radio 323, 10.30 a.m. BBC Radio 324, 11.00 a.m. BBC Radio 325, 11.30 a.m. BBC Radio 326, 12.00 a.m. BBC Radio 327, 12.30 a.m. BBC Radio 328, 1.00 a.m. BBC Radio 329, 1.30 a.m. BBC Radio 330, 2.00 a.m. BBC Radio 331, 2.30 a.m. BBC Radio 332, 3.00 a.m. BBC Radio 333, 3.30 a.m. BBC Radio 334, 4.00 a.m. BBC Radio 335, 4.30 a.m. BBC Radio 336, 5.00 a.m. BBC Radio 337, 5.30 a.m. BBC Radio 338, 6.00 a.m. BBC Radio 339, 6.30 a.m. BBC Radio 340, 7.00 a.m. BBC Radio 341, 7.30 a.m. BBC Radio 342, 8.00 a.m. BBC Radio 343, 8.30 a.m. BBC Radio 344, 9.00 a.m. BBC Radio 345, 9.30 a.m. BBC Radio 346, 10.00 a.m. BBC Radio 347, 10.30 a.m. BBC Radio 348, 11.00 a.m. BBC Radio 349, 11.30 a.m. BBC Radio 350, 12.00 a.m. BBC Radio 351, 12.30 a.m. BBC Radio 352, 1.00 a.m. BBC Radio 353, 1.30 a.m. BBC Radio 354, 2.00 a.m. BBC Radio 355, 2.30 a.m. BBC Radio 356, 3.00 a.m. BBC Radio 357, 3.30 a.m. BBC Radio 358, 4.00 a.m. BBC Radio 359, 4.30 a.m. BBC Radio 360, 5.00 a.m. BBC Radio 361, 5.30 a.m. BBC Radio 362, 6.00 a.m. BBC Radio 363, 6.30 a.m. BBC Radio 364, 7.00 a.m. BBC Radio 365, 7.30 a.m. BBC Radio 366, 8.00 a.m. BBC Radio 367, 8.30 a.m. BBC Radio 368, 9.00 a.m. BBC Radio 369, 9.30 a.m. BBC Radio 370, 10.00 a.m. BBC Radio 371, 10.30 a.m. BBC Radio 372, 11.00 a.m. BBC Radio 373, 11.30 a.m. BBC Radio 374, 12.00 a.m. BBC Radio 375, 12.30 a.m. BBC Radio 376, 1.00 a.m. BBC Radio 377, 1.30 a.m. BBC Radio 378, 2.00 a.m. BBC Radio 379, 2.30 a.m. BBC Radio 380, 3.00 a.m. BBC Radio 381, 3.30 a.m. BBC Radio 382, 4.00 a.m. BBC Radio 383, 4.30 a.m. BBC Radio 384, 5.00 a.m. BBC Radio 385, 5.30 a.m. BBC Radio 386, 6.00 a.m. BBC Radio 387, 6.30 a.m. BBC Radio 388, 7.00 a.m. BBC Radio 389, 7.30 a.m. BBC Radio 390, 8.00 a.m. BBC Radio 391, 8.30 a.m. BBC Radio 392, 9.00 a.m. BBC Radio 393, 9.30 a.m. BBC Radio 394, 10.00 a.m. BBC Radio 395, 10.30 a.m. BBC Radio 396, 11.00 a.m. BBC Radio 397, 11.30 a.m. BBC Radio 398, 12.00 a.m. BBC Radio 399, 12.30 a.m. BBC Radio 400, 1.00 a.m. BBC Radio 401, 1.30 a.m. BBC Radio 402, 2.00 a.m. BBC Radio 403, 2.30 a.m. BBC Radio 404, 3.00 a.m. BBC Radio 405, 3.30 a.m. BBC Radio 406, 4.00 a.m. BBC Radio 407, 4.30 a.m. BBC Radio 408, 5.00 a.m. BBC Radio 409, 5.30 a.m. BBC Radio 410, 6.00 a.m. BBC Radio 411, 6.30 a.m. BBC Radio 412, 7.00 a.m. BBC Radio 413, 7.30 a.m. BBC Radio 414, 8.00 a.m. BBC Radio 415, 8.30 a.m. BBC Radio 416, 9.00 a.m. BBC Radio 417, 9.30 a.m. BBC Radio 418, 10.00 a.m. BBC Radio 419, 10.30 a.m. BBC Radio 420, 11.00 a.m. BBC Radio 421, 11.30 a.m. BBC Radio 422, 12.00 a.m. BBC Radio 423, 12.30 a.m. BBC Radio 424, 1.00 a.m. BBC Radio 425, 1.30 a.m. BBC Radio 426, 2.00 a.m. BBC Radio 427, 2.30 a.m. BBC Radio 428, 3.00 a.m. BBC Radio 429, 3.30 a.m. BBC Radio 430, 4.00 a.m. BBC Radio 431, 4.30 a.m. BBC Radio 432, 5.00 a.m. BBC Radio 433, 5.30 a.m. BBC Radio 434, 6.00 a.m. BBC Radio 435, 6.30 a.m. BBC Radio 436, 7.00 a.m. BBC Radio 437, 7.30 a.m. BBC Radio 438, 8.00 a.m. BBC Radio 439, 8.30 a.m. BBC Radio 440, 9.00 a.m. BBC Radio 441, 9.30 a.m. BBC Radio 442, 10.00 a.m. BBC Radio 443, 10.30 a.m. BBC Radio 444, 11.00 a.m. BBC Radio 445, 11.30 a.m. BBC Radio 446, 12.00 a.m. BBC Radio 447, 12.30 a.m. BBC Radio 448, 1.00 a.m. BBC Radio 449, 1.30 a.m. BBC Radio 450, 2.00 a.m. BBC Radio 451, 2.30 a.m. BBC Radio 452, 3.00 a.m. BBC Radio 453, 3.30 a.m. BBC Radio 454, 4.00 a.m. BBC Radio 455, 4.30 a.m. BBC Radio 456, 5.00 a.m. BBC Radio 457, 5.30 a.m. BBC Radio 458, 6.00 a.m. BBC Radio 459, 6.30 a.m. BBC Radio 460, 7.00 a.m. BBC Radio 461, 7.30 a.m. BBC Radio 462, 8.00 a.m. BBC Radio 463, 8.30 a.m. BBC Radio 464, 9.00 a.m. BBC Radio 465, 9.30 a.m. BBC Radio 466, 10.00 a.m. BBC Radio 467, 10.30 a.m. BBC Radio 468, 11.00 a.m. BBC Radio 469, 11.30 a.m. BBC Radio 470, 12.00 a.m. BBC Radio 471, 12.30 a.m. BBC Radio 472, 1.00 a.m. BBC Radio 473, 1.30 a.m. BBC Radio 474, 2.00 a.m. BBC Radio 475, 2.30 a.m. BBC Radio 476, 3.00 a.m. BBC Radio 477, 3.30 a.m. BBC Radio 478, 4.00 a.m. BBC Radio 479, 4.30 a.m. BBC Radio 480, 5.00 a.m. BBC Radio 481, 5.30 a.m. BBC Radio 482, 6.00 a.m. BBC Radio 483, 6.30 a.m. BBC Radio 484, 7.00 a.m. BBC Radio 485, 7.30 a.m. BBC Radio 486, 8.00 a.m. BBC Radio 487, 8.30 a.m. BBC Radio 488, 9.00 a.m. BBC Radio 489, 9.30 a.m. BBC Radio 490, 10.00 a.m. BBC Radio 491, 10.30 a.m. BBC Radio 492, 11.00 a.m. BBC Radio 493, 11.30 a.m. BBC Radio 494, 12.00 a.m. BBC Radio 495, 12.30 a.m. BBC Radio 496, 1.00 a.m. BBC Radio 497, 1.30 a.m. BBC Radio 498, 2.00 a.m. BBC Radio 499, 2.30 a.m. BBC Radio 500, 3.00 a.m. BBC Radio 501, 3.30 a.m. BBC Radio 502, 4.00 a.m. BBC Radio 503, 4.30 a.m. BBC Radio 504, 5.00 a.m. BBC Radio 505, 5.30 a.m. BBC Radio 506, 6.00 a.m. BBC Radio 507, 6.30 a.m. BBC Radio

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY
 Telegrams: Finantime, London PS4. Telex: 586541/2, 883897
 Telephone: 01-248 8000

Friday April 28 1978

Mr. Healey's chestnuts

THE APPARENTLY absurd position which has arisen in the House of Commons, with the Opposition proposing one alternative budget, and the minuscule Liberal part a second, could in fact result in a substantial improvement on Mr. Healey's official proposals. The real absurdity is not that the Government should be unable to carry its own proposals, but that it should to some extent deliberately have put up proposals that cry out for amendment.

Few incentives

Mr. Healey has more than once spoken sensibly and encouragingly about the need to restore incentives for middle management, and reduce the punitive top tax rates on earned income, but he has chosen to do next to nothing. He was well aware that the Liberals could count on Conservative support in an effort to turn his own words into deeds. One may suspect that he thought it easier to leave this job to the Opposition than to offend the prejudices of his own left-wing and trade union supporters by being as good as his word.

As the Confederation of British Industry has pointed out, the apparent concessions to higher-rate taxpayers in Mr. Healey's proposals were hardly even a step in the right direction. Inflation has so far devoured the incomes contained in the various tax bands that the revisions proposed, combined with the tapering off of child tax allowances, have left most higher-rate payers worse off in real terms than before, and the cash payments received by way of child benefit are inadequate compensation at these income levels.

The proposed taxation of high incomes is heavier in real terms than it was at the peak of the fiscal squeeze two years ago, and very much heavier than the burden imposed by Mr. Healey in 1974, in a declaredly partisan effort to "make the pips squeak." The growth of avoidance, evasion, and tax emigration are the most visible results of this short-sighted egalitarianism, which has compressed after-tax earnings differentials a good deal further than any Communist regime has cared to go. Demoralisation and reluctance to take risks impose the much heavier real cost.

Steel makers on trust

THE DOCUMENT the Steel Corporation has sent to MPs describing the background to the Bill proposing a £1.1bn. increase in its borrowing limit to £5.1bn. makes no attempt to disguise the precariousness of the corporation's financial position. It freely acknowledges that the present rate of loss is not compatible with the survival of the business in its present form. Last year's loss is now put at £440m. but no firm forecast is offered for the present year. The figure of £400m. projected for the purpose of fixing BSC's cash limit was based upon assumptions about inflation, interest rates, steel demand, the absence of major industrial disputes, and other factors; it could easily be upset especially if it turns out that the world steel recession has not yet reached bottom.

Looking five years ahead, BSC is assuming a growth in GDP averaging about 2½ per cent a year, which could point to a 1-1½ per cent annual increase in U.K. steel demand, and it is hoping to hold on to or possibly improve its market share. But, even on this basis, the corporation does not expect to generate from its own resources more than about a sixth of its financing requirements. At best, the proportion could be as high as a quarter; on BSC's most pessimistic demand estimates, cash flow could be negative.

Priorities

The finances of most of the world's other leading steel makers may also have been savaged by the recession. But BSC's difficulties are compounded by deep-rooted problems of obsolete capacity and low productivity; and, even though its investment has been halved to about £500m. annually, it is still spending proportionately more than other comparable steel companies. In the document, the corporation gives further details of its revised investment priorities. Apart from completing the major schemes which are already substantially under way, such as those at Redcar and Ravenscrag, and schemes designed to bring about a better balance between BSC's

steel melting and finishing facilities, the main priorities now are product quality and cost reduction.

Investment alone will not make BSC profitable again. It currently has an effective manned steel making capacity of some 22m. tonnes a year, before counting the 5½m. tonnes of additional capacity due to some on stream in the next three years, as against a sales projection over the same period ranging between 16m. and 22m. tonnes a year. So there must be a continuing programme of closures of old high cost plants, including those covered by the Beswick review. Output per man is substantially below the levels attained by BSC's competitors (the West German figure alone is 50 per cent higher). Both viability and the scope of higher real earnings in the industry will therefore depend upon a major improvement in productivity at existing plants, the attainment of international manning levels at new plants and the absence of disputes and other interruptions to sustained and continuous operation.

Justify

As a management objective, BSC has set itself the task of reaching break-even point in two years' time. This is contingent not only upon realistic progress in cost reduction but also upon BSC's present assumptions about steel demand and prices and the continuation of the EEC's "orderly marketing arrangements." On the same basis, the £1.1bn. increase in its borrowing limit should suffice for the next three years. Later on — given a financial reconstruction — the corporation could expect to make sufficient profit to start paying deferred dividends on the capital funds the Government is now providing under the Iron and Steel Act. This is the best prospectus BSC, and by implication the Government, can presently offer. A very great deal now rests upon those who work in the steel industry to justify the nation's continuing support.

Chrysler has more grip, but still a long way from home

BY TERRY DODSWORTH and RICHARD LAMBERT

CHRYSLER CORPORATION IN 1977

	(millions of dollars)	U.S.	Canada	Europe	Elsewhere
Total dollar sales		12,749.3	2,971.1	3,728.1	1,404.1
Net earnings		185.0	11.0	10.4	(43.2)
Identifiable asset		4,128.1	713.7	1,959.7	866.7

IN THE FIRST quarter of this year, Chrysler U.K. has made its first profits since the Government rescue got underway in January 1976. The return was minimal—£264,000 after tax—but it has prompted Chrysler to predict a profit for the whole of this year after its disastrous £21.5m. loss in 1977.

Mr. Gilbert Hunt, Chrysler's U.K. chairman, says that the foundations have now been laid for a "successful, continuing company."

The fact remains, however, that Chrysler is still a long way from home. Although the main burden of its losses last year was due to labour disputes, the company continues to display the weaknesses of a small business operating in an industry where large volumes count.

Chrysler's production facilities in Britain remain geared essentially to U.K. market demand, despite its efforts to move towards a European scale of operation combined with its French (Simca) and Spanish (Barreiros) sister companies. By contrast, Ford U.K., which is much more fully integrated with the rest of the group's European organisation, was able to declare profits of £246m. last year.

The challenge now facing Chrysler is to move to a similar European dimension while generating enough cash from its own resources to help fund the new model range. For the next two years, at any rate, this target should be within reach. Capital spending is currently running at roughly £20m. a year, and is effectively being financed out of medium-term loans which were made available by the Government under the terms of the rescue package in 1975. The plan is that working capital requirements—a little under £10m. in 1977—will be financed out of Chrysler's own cash flow, and that is well within reach given an annual depreciation and amortisation provision of nearly £10m. There will be no trouble with the taxman, since there is a cool £80m. of untutilised losses to set off against any future trading profits.

In addition, Chrysler still has a substantial cushion against unforeseen setbacks in the current year and 1979. The Government and the parent Chrysler Corporation have each undertaken to fund one-half of any losses up to a maximum of £15m. in 1978 and of £10m. in 1979. And Chrysler thinks that the market background looks healthy over that period—it has modified its original projection of a dip in demand during 1979.

So provided that it can get a reasonable level of production, Chrysler is not going to have to look for any new sources of funds over the next couple of years. Given the appalling trading performance in 1977, this is a measure of the

generosity of the refinancing terms in 1975. All the same, the company will retain formidable financial gearing, with a tiny equity base supporting a mountain of debt.

The net worth of the business, after allowing for the parent company's contribution to last year's losses, currently stands at just £20m. Net bank debt amounts to a bit under £10m., while other borrowings together with deferred liabilities total £83m. Just under two-thirds of the latter borrowings are totally repayable within the next five years.

This balance sheet structure would look precarious if Chrysler were an independent company. As a subsidiary of a large multi-national corporation it could be irrelevant—provided that the parent was financially strong and its own business was viable. It is clear that the first part of this proviso, at least, does not apply to Chrysler.

As this week's first quarter statement made clear, Chrysler Corporation is itself going through a period of major financial strain. Losses in the first three months reached nearly £120m., and the group only expects to break even during the remaining nine months of the year. This loss comes at a period when enormous demands are being made on the American vehicle builders to make lighter, more economical and less polluting cars. New legislative requirements hurt Chrysler more than its two larger competitors, General Motors and Ford, which have greater integration and market power, can spread fixed costs over a greater volume of units and have lower cost access to capital markets.

By 1985 Chrysler plans to have reduced the average weight of its entire fleet of passenger cars by no less than 30 per cent. But the cost is staggering—capital spending over the next five years is estimated at \$7.5bn. This could mean a requirement for very roughly a quarter of a billion dollars of new outside finance a year in this period.

Wall Street is bracing itself for a new issue of preferred stock sooner rather than later—an offering of \$50m. to \$100m. is widely expected. And it is clear that in the next few years Chrysler is going to be drawing heavily on its unused banking facilities, which currently amount to a little over \$1bn.

It is also felt on Wall Street that Chrysler could be trying to divest some of its weaker overseas operations. One of these

is the U.K., but Chrysler also has a number of other unprofitable branches which might be lopped off, and which are not protected by a benevolent Government. Indeed, it has done considerable restructuring in this area in the last two years, merging its South African company with a company assembling Japanese cars, selling its 60 per cent stake in a Turkish truck assembly group, and negotiating to reduce its stake in its loss-making Australian subsidiary. All of these overseas businesses suffer from similar problems of scale to those which

CHRYSLER U.K.

	(thousands of pounds)	Turnover	Profits (loss)
1973		322,000	3,724
1974		313,000	(17,734)
1975		351,000	(35,453)
1976		332,000	(42,597)
1977		458,000	(21,472)

Chrysler has in the U.S. and Europe. They were picked up in the group's hasty bid for multinational status in the 1960s, when markets were buoyant enough to hide the fact that Chrysler was coming late onto the scene and acquiring the more marginal companies. This applies equally to the European business, created from Rootes in Britain, Simca of France, and Barreiros of Spain, none of which controlled as much as 20 per cent of its domestic market.

Given the weakness of the U.S. parent, these overseas businesses are now going to have to prove their worth on a free-standing basis or go under. But the European group, partly because of the intervention of the U.K. Government in 1975, has the hope of developing different—and better—operating economies than most of Chrysler Corporation's other overseas interests: this is because they are being brought together to form a co-ordinated manufacturing, financial and marketing group.

Mr. George Lacy, Chrysler U.K.'s managing director, says that the policy of integration is already well advanced. A number of new central appointments have been made, under the umbrella of Chrysler Europe, to bring together functions like manufacturing, finance, product planning and marketing.

Critics believe, however, that the model range is still inadequate for a competitive

European company. There are some obvious product weaknesses. Chrysler has no contender in the mini sector, and its big executive-type car, the 180, has proved an expensive flop. But beyond this, the range lacks coherence, particularly in the central family saloon sector of the market.

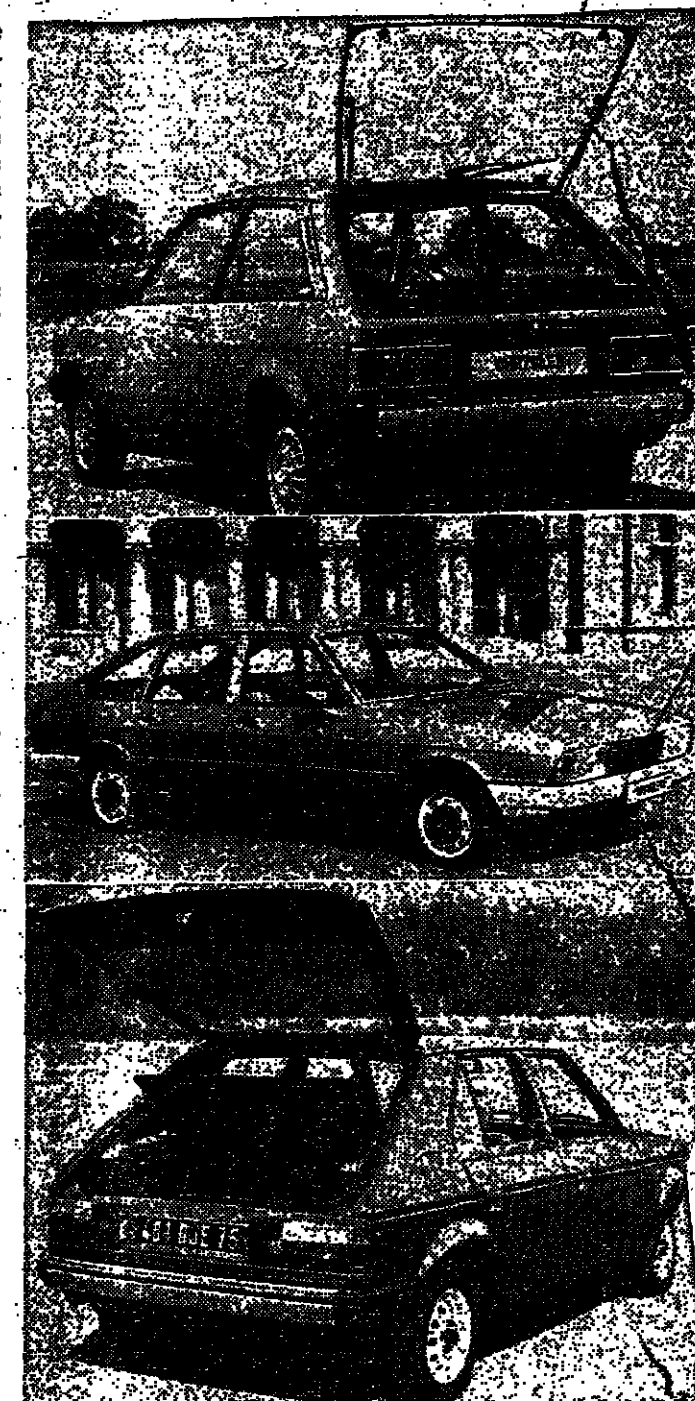
In this area, Chrysler is selling the Avenger, the Hunter and the Sunbeam (all rear-wheel drive cars), along with the front-wheel drive Alpine and Simca 1100, which are now being joined by the new Horizon model. Although there are differences between the cars in terms both of size and shape (the Avenger and Hunter are conventional shapes, while the others are hatchbacks), they are by no means so neatly segmented as the ranges of manufacturers like Fiat and Ford.

Mr. Lacy argues that the European range is being integrated in the sense that "we sell the same thing everywhere and minimise the number of locations in which we make them." Even so, it would be difficult to justify some of the decisions of the last two years except in terms of a crash rescue programme in the U.K. Why, for example, should Chrysler U.K. have developed the conventional drive hatchback Sunbeam, when Chrysler Simca was designing the similarly-sized front-wheel drive Horizon?

The indications are that the U.K. company's objective was to freshen up the British range with a very cheap model—some estimates have put the Sunbeam's cost at the remarkably low figure of £12m.—sufficiently to pull it through into the 1980s when the full European range will be coming through. By that time, the Ryton plant at Coventry, now producing the Alpine hatchback, will have been expanded to produce a new version of the car with a boot, while the Spanish operation will be making a revised 180 model.

Nevertheless, the cost of doing all this will be high. European companies to-day talk of spending about £40m. for a fairly minor facelift, and well over £100m. even on a car which inherits its engine and gearbox. Some of this cost may be offset by sharing development work with the U.S. parent, as on the Horizon, which is basically the same car on both continents. But with vast new expenditure now in train in Europe (Ford for example, is sending £1bn. in the U.K. alone over five years, and Fiat £1.25bn. on its European car operations), Chrysler will be hard put to get by with moderate and cheaply-produced products like the Sunbeam.

So it is going to need a lot of goodwill and more than a little luck to achieve its targets. The key rests in the Lin-



Part of the Chrysler range: the Sunbeam (top), the Alpine and the French-built Horizon (bottom).

wood plant, which employs 7,800 hourly paid workers and a total of 9,200 out of the overall workforce of 23,000. This week's annual report lays most of the blame for 1977's losses at this door: the "two major factors" were the delay in introducing a second shift at Linwood which led to a five-month hold-up in the launch of the Sunbeam, and the inability of the Linwood plant to meet production targets during the year.

Chrysler says that since January productivity has been improving throughout the group, and especially at Linwood. This is what has pulled the company back into the black, and the trend seems to be improving. But as the House of Commons Expenditure Committee's report on Chrysler stressed in 1976, the company "must be able not only to show profits but to be able to generate sufficient funds after 1979 to finance a continuing model programme as well as repaying their loan." At the peak, Government loans to the company could reach £55m. (of which £26m. has been advanced to date) and there is a further £33m. of clearing bank lending guaranteed by the Government and Chrysler Corporation.

The Committee did not think that Chrysler would be able to generate such funds, and it suggested that there might then be pressure on the Government to convert its loans into equity. Chrysler says that it has no need, and no wish to have the Government as a shareholder, and the Government in turn has repeatedly stated that it has no intention of providing any more help. But it has to be said that so far at least, the data from which the Expenditure Committee drew its conclusions has all erred on the optimistic side.

MEN AND MATTERS

Bank inspector

"The most powerful woman in New York" is how Ms. Muriel Siebert was presented to me, and there is some justification in that. Back in New York State she has to regulate banks with deposits of \$400bn. As if that were not enough she is now in London seeing how her inspectors control the £25bn. which U.S. banks have here.

As Superintendent of Banks in New York State she has been leading attempts to change tax laws so that New York banks can stop setting up what she calls "shadow branches" in Nassau, the Grand Caymans and the Bahamas and bring the business to the city.

She thinks this could create nearly 2,000 new banking jobs in New York. When I asked her about the gloomy picture of the health of U.S. banks as portrayed in the novel "The Crash of 1979" she told me that some of the buildings against which banks had lent money were filling up and insisted that the system was strong enough to absorb such disasters as a recent bank failure in Puerto Rico. She herself has 400 examiners, whose \$13.5m. budget is paid for by the banks.

Ms. Siebert was the first woman member of the New York Stock Exchange, has made the Greater New York Council of the Boy Scouts of America "co-ed" (though she says she does not do the traditional shorts) and is the first woman to hold her present post. She has been encouraging public groups to attend her committee's hearings though she says she has had some flak from the banks for her inquiries into banks' refusals to offer mortgages in certain areas. The local Press calls this refusal "red-lining." She is also following attempts to bring "usury ceilings" for



"I am not surprised when you look at the Life Peers they appointed!"

small homes into line with existing rates. Little wonder that she says she cannot find a weekend to complete her training for a pilot's licence.

In for the krill

Our beleaguered trawler captains in Hull and Grimsby might well be following Captain Scott if the South Atlantic Fisheries Committee has its way. The committee yesterday sought government assistance for a £1.6m. survey of the area. "Vast fish resources" they say though sadly they comment that the waters round the British Isles of St. Helena, Ascension and Tristan da Cunha contain a tropical oceanic fish "not readily marketable in the United Kingdom."

Instead they tell us in hardly mouth-watering prose that probably krill—a small shrimp—will be most successfully marketed for human consumption as reconstituted prawn or shrimp bound with a gelling agent."

Port watch

To-day could be fateful for The Port. This is a rare newspaper in that it sets out to act as a bridge between employers and unions—in this case, between the Port of London Authority and the dockers. But an austerity drive has led PLA Chairman John Cuckney to propose cutting the £81,000 subsidy which it receives each year by merging it with the PLA's house organ, Polanews. This costs the PLA £20,000 per year and the plan is to be discussed with the journalists to-day.

PLA spokesman Geoffrey Morgan told me yesterday that The Port, which now has a circulation of 10,000, had done a "tremendous job" in the 10 years it has been printed, both in helping labour relations and in preventing the circulation of "misleading broadsheets put out by odd unions or scurrilous groups."

The National Association of Local Government Officers is against the merger. It does not want its members on Polanews taking orders from outsiders, in other words from the journalists on The Port. One of these fears, that the aim is to "tame" The Port, though the PLA insists that what is in the balance at the meetings being held to-day is merely the level of PLA subsidy.

Textile promotion

Courtaulds' succession problems for a long way ahead seem to have been solved with the appointment yesterday of 41-year-old Christ Hogg as a deputy chairman. He joins two other deputy chairmen Dr. Norman Wooding (51) and even if he fails to make the top job in four years' time when Sir Arthur Knight is due to retire at 65, he is strongly placed to emerge eventually as head of Europe's largest textile concerns.

Originally the merchant banker, Hogg was chosen by Ronnie Gherson to join the small team which launched the Industrial Reorganisation Corporation and he was widely regarded as one of the ablest of the IRC's bright young men. After his two years' stint there he was picked by the then chairman of Courtaulds and the IRC, Lord Kearton, to join the company.

A fitness enthusiast to be seen frequently cycling to work from his West London home, Hogg has packed a lot of experience into his ten years with Courtaulds, successfully looking after paints, packaging, weaving, household textiles and more recently clothing and consumer products.

Settles all

Yankes, Patents, Heinzes, Fido's, Goliaths, rollovers and accumulators—none of these, I am assured, can defeat a new device for Britain's punters. The device, darkly known as the "Settler," has just been put on the market and threatens the one characteristic for which everyone admired bookmakers, their lightning nomenclature.

The Settler has been developed by Sinclair Radionics with the help of an ex-professor of mathematics at Oxford University, Bernard Silverman. It competes with a system called Genie—developed 10 years ago, which, in the wonderful world of electronic chips, is about as long ago as Ali Baba lived. But Lad-brokers at least are not impressed. "I should point out to you that our managers are all totally equipped to doing calculations in their head," I was told. It seems the Settler—and the punter—has poor odds against such Einsteins.

Observer

Northampton contains the solution

The Rockware Group has expanded dramatically, diversifying its interests into many areas of the packaging market.

The glass company in particular has developed from a small family business to become Britain's leading glass manufacturer supplying the requirements of around one third of the UK market.

When the time came to relocate its head office, Rockware Glass Ltd considered possible areas all over the country. The ideal location would ensure manufacturing services were within easy reach of the northern factories, whilst the marketing and sales divisions could service customer requirements in the south, easily and effectively.

Northampton was the obvious choice. Its central location and the provision of a wide range of housing for sale and for rent plus all the facilities which can only be offered by a well established town, are just some of the many advantages Northampton can provide. There are substantial savings to be made too. Firms relocating from Central London can save up to 70% of their expenditure on rent and rates.

For further details phone 0604 34734 or write to L. Austin-Crowe, Chief Estate Surveyor, Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN



Rockware Glass Ltd head office in Northampton

POLITICS TO-DAY

Keeping the Schmidt plan's secrets

ANYONE WHO watched Mr. James Callaghan and Chancellor Helmut Schmidt being interviewed on the BBC's Panorama programme last Monday evening can scarcely have failed to notice the extreme respect with which they showed for each other's views. It was almost as if there had been a mutual agreement to play the statesmen's standing united together. And (so it seems to have been for the whole of Herr Schmidt's visit) the greatest of pains were taken on both sides not to say anything which might give offence, even when it was plain that agreement was still a long way off.

Perceptive viewers might also have noticed, however, that it is all a little too pat. The two were united on the need to be united, but they had yet to agree on substance. There were at least two nuances—for example on exchange rates—where they appeared to be saying the same thing, but were in fact saying something quite different. Herr Schmidt, to put it crudely, wants to stop the Deutschmark going up; Mr. Callaghan wants to preserve his freedom to allow the £ to go up. This ambiguity again seems to have been a characteristic of the visit. At the end of the day, therefore, the need for unity was reinforced, but it was agreed only to continue to see how it might be achieved.

It will be remembered that a general objective was to prepare for the Economic Summit to be held in Bonn in July and for which a five-point agenda, first outlined by Mr. Callaghan, has now been more or less accepted.

Degrees of tact

The British view on currencies, expressed with varying degrees of tact, tends to be that Herr Schmidt has thrown a spanner in the works. Mr. Callaghan first heard of the "Schmidt plan" when he went to Bonn on Sunday, March 12, coincidentally the day of the first round of voting in the French elections. He was enjoined to the strictest secrecy on the grounds that Herr Schmidt had still not consulted all his advisers, and certainly Mr. Callaghan appears to have passed on the message to very few of his own. It was made clear, however, that President Valéry Giscard d'Estaing of France was in the know, and would be in touch later.

Anyway, the main burden of Herr Schmidt's remarks to Mr. Callaghan on this subject was that the British Prime Minister should go to Washington and discuss the plan with President Carter. Mr. Callaghan had already pencilled in an Easter

visit to the U.S., but was not absolutely certain whether to go ahead with it. He agreed to do so, but still without telling more than a handful of advisers—if that—what was going on.

It was after the Washington visit that Mr. Callaghan received a telephone call from Paris. President Giscard having just had a meeting with Chancellor Schmidt. "Why don't," said Giscard, "the three of us get together—you, Helmut and me?" He proposed breakfast at the French Embassy in Bonn, his automatic reaction was Copenhagen on Saturday, April 8, the second day of the European Council which was intended to be so. It would not meet in that city. The break he was to be seen to be fast duty took place, but only building "a defence against the Schmidt plan had been dollar" at the very time when outlined to the Heads of Government of the Nine at dinner the night before. Again there were no advisers present, so Finance Ministers and others could be forgiven for still being in the dark. The one outside presence at the dinner was that of Mr. Roy Jenkins, the president of the European Commission, who recently relaunched the campaign for European monetary union.

At this stage it is necessary to say something of what the Schmidt plan is, though here one is at a disadvantage: it has not been published and one assumes that it must be somewhat more coherent than the rather grudging versions available in London. It appears to consist of three parts. The first would be an enlarged European currency snake bringing in the weaker currencies—perhaps with a larger agreed amount of fluctuation—as well as the stronger. The second would be a partial pooling of European reserves

for support operations to keep the snake, or whatever it might then be called, in being. The third would be an arrangement under which settlements between Community central banks would be in European units of account. These would then become a new kind of reserve asset.

Even that bare outline is probably sufficient to hint at the British objections, or at least reservations. When Mr. Callaghan first heard the plan in Bonn, his automatic reaction was that it would be construed as anti-American, even if it was not European Council which was intended to be so. It would not meet in that city. The break he was to be seen to be fast duty took place, but only building "a defence against the Schmidt plan had been dollar" at the very time when outlined to the Heads of Government of the Nine at dinner the night before. Again there were no advisers present, so Finance Ministers and others could be forgiven for still being in the dark. The one outside presence at the dinner was that of Mr. Roy Jenkins, the president of the European Commission, who recently relaunched the campaign for European monetary union.

On the question of new reserve assets, the Prime Minister was rather more reserved, though at a tangent. Discussions here, he said, were already going on, at and around the International Monetary Fund, and he himself intended to play a part in them. Indeed, as Chancellor of the Exchequer at the time of great debate over the role of Special Drawing Rights and their future. He was proposing that SDRs should now be used more actively, as they have been used for the first time in the recent German-U.S. agreement intended to stabilise the £. Nothing, Mr. Callaghan thought, should be allowed to divert attention from this inter-



Prime Minister James Callaghan and Chancellor Helmut Schmidt at No. 10: extreme respect for each other's view.

national effort, and in fact when the approach have yet been re-talked to President Carter quite solved. The position on the as much about SDRs as about Schmidt plan is that it was agreed at the Copenhagen breakfast that each of the three national though no less immediate reservation about Herr Schmidt's thinking. The Prime Minister said that he fully understood the German concern, however, will have a slightly different role from the British: their task will be to come up with the details of £. It might not be entirely in the British task will be not exactly sterling tied too firmly to the stronger European currencies and there might even be new constraints involved: for example, on regional policy.

As for reserve assets, the discussions will continue at a meeting of the Interim Com-

mittee of the IMF in Mexico City this week-end. The British have embraced more eagerly than most the ideas coming from Dr. Johannes Witteveen, the Fund's Managing-Director, under which unwanted dollars could be somehow converted into SDRs. There is no joint European view and the Germans are about as sceptical of the British of the Schmidt plan. It is admitted at the Treasury that the two need not be incompatible, but the admission is grudging. The Germans, in particular, object to the idea of new sources of liquidity and to the possibility that simply substituting SDRs for surplus dollars might do nothing to encourage American discipline.

There is also the time problem. It is most improbable that anything will come out of the IMF before the summer, and equally the Schmidt plan seems to require more distant horizons for proper consideration. That in turn raises the issue of how a package deal on the five-point programme can be put together by the Bonn Summit. The general assumption is that if the Germans are going to give ground on growth, some body else is going to have to give ground on currencies in return. But it may not be possible in the time available. Moreover, the Germans have still not said that they are prepared to move on growth at all. That was the other main difference which the Schmidt-Callaghan talks were unable to resolve. Herr Schmidt did say that he would have another look at the state of the German economy next month or so, and he did not totally rule

out more steps later in the year, but he added that that would not necessarily mean another domestic stimulus.

In other words, there are some hints that the Germans are looking for a package and would move if others would move with them. But from their point of view such a package would almost certainly have to include something which gave greater stability to the Deutschmark exchange rate and substantial progress in the U.S. on energy policy. They might have the latter by the summer, but the prospects for the former are still doubtful.

The British, meanwhile, continue to believe that the Germans should restate, though Mr. Callaghan now puts it more tactfully, and went out of his way not to say so in public. The view at the Treasury is that with an inflation rate of a little over 3 per cent, and still falling, there is ample room for the Germans to act now even if the price were to bring up the inflation rate to the current British level. Herr Schmidt disagrees, and plainly thinks that more reflection would not necessarily produce the required growth.

As Mr. Callaghan put it at the joint Press conference on Monday, the two men had found that after 24 hours of "living in each other's pockets" that they usually agree on analysis, but not always on the solutions. The best that they have done is to have agreed to go on talking. There will be an awful lot of meetings at all sorts of levels between now and the summit in Bonn.

Malcolm Rutherford

Letters to the Editor

In the evidence is that it is difficult.

Dr. Southworth writes as the research officer of the Association of Chart and Technical Analysts. I should like to suggest to the efficient market is misplaced. For many years the chartist claim was that material information of a fundamental nature was already discounted in share prices: "do not confuse me with facts." For this point of view, technical analysis suffered a good deal of unpopularity. But now the efficient market theory provides scientific support for their position. It is true that the theory claims that technical as well as fundamental arguments are already discounted; but there is at least a wide area of agreement on which the Association should be able to build.

D. C. Damant,
Clive Investments Cambridge
1, Royal Exchange Avenue, E.C.3.

The price of gold

From Mr. A. Gray.

Sir,—In his letter of April 18 Mr. Irvine Fortescue suggested that paper money backed by gold would be a stable store of value. On that day the Financial Times quoted the market price of gold as approximately \$180 per ounce. On April 20 the same amount of gold is quoted at approximately \$170.

Adrian Gray,
31, Russell Road, Wimbledon.

Pensions outlook

From Mr. R. Newton.

Sir,—I considered the article "Thoughts on retirement" by E.S. (April 22) to be very misleading. Like so many articles recently which have examined the "state versus private" pensions argument, the disadvantages of the additional state pension scheme have been paraded for all to see without a single mention of the comparisons in cost between "contracting in" and "contracting out."

Of course an employer can provide a pension in a "contracted out" situation which is better than the additional state pension; he can also provide, as E.S. appears to recommend, a pension based on past company service when pensions contributions were presumably not being paid. The fact remains, however, that pension schemes are the most costly things imaginable and to provide the type of things E.S. has recommended will cost an employer a darn sight more than the cost of "contracting in" to the state arrangement.

E.S. and a large number of other pensions experts who have presented their views over recent months would have done employers and employees a far better service if they had publicised the fact that the additional state pension scheme provides excellent value for money than can be obtained on a private basis. One can prove this statement by approaching a pensions broker and you will find that it is just as simple to purchase with contributions of 7 per cent. of payroll (7 per cent. being the total saving in National Insurance contributions which apply to the employer (4½ per cent.) and employee (2½ per cent.), in a contracted out situation) a private pension scheme which is either (a) better than the state additional scheme or

(b) guaranteed to be as good as the state additional scheme. This statement is not surprising when you consider that the state scheme is getting massive support from the Treasury (18 per cent. of its funds) and it is not looking for a profit, whereas the private assurance company gets no support and is seeking a profit.

Given the situation described above there is more than a lot to be said for "contracting in" to the additional state pension scheme and covering the drawbacks of the state scheme (for example, no lump sum for death in service and no lump sum on retirement) by the provision of a private "top up" scheme. This suggestion looks even better when you consider the fact that the Government has already announced that in future years the savings in National Insurance contributions for employees and employers in a "contracted out" situation will be reduced.

With the risk of offending the pensions industry, I must say that it is most unfortunate that the vast majority of the so-called pensions experts who have had to shoulder the responsibility for explaining the new pensions arrangements to employers and employees, have also had a vested interest in selling pension arrangements with the net result that a very good state pension arrangement has been given a very poor image. The result of this exercise will not be evidenced for four or five years and when it does I predict that there will be a large number of employers who have "contracted out" who will be wondering how on earth they are going to finance the pensions benefits they have agreed to.

R. Newton,
56 St. Anne's Green, Kniole,
Salford, West Midlands.

Employee shares

From Mr. D. Philpot.

Sir,—It is indeed a welcome move by this Government to provide tax concessions on bonus allocation of shares of up to £500 per employee each year. This employee share scheme, however, employees of companies owned by overseas parents will, in the majority of cases, be unable to take advantage of this scheme, if the local phrase is used to include trustees to buy shares in the publicly quoted parent, this would go a long way towards equalising the benefit over a far greater number.

D. E. Philpot,
"Toucanwood," Round Street,
Cobham, Kent.

Monty Python metrication

From Mr. M. Alcorn.

Sir,—I rather fear that your writer (April 21) does not fully appreciate the reasons for the hostility to enforced metrication. We find that in our own trade (retail timber) that despite a period of six years, there remains a general lack of comprehension of the metric system. The ease of reference to timber sizes in imperial rather than metric explains why most of our suppliers and customers prefer the imperial system. For example, a standard sheet of material is eight feet four inches, or 100 inches, rather than 2667 millimetres; confusion in-

creases with door sizes in metric measure which give no idea of proportion, and indeed give a wide scope for error. The suggestion of a fine and confiscation of the measuring device is surely more worthy of a sketch by Monty Python than a serious attempt to resolve the problem. Weights and measures legislation protects consumers against being sold short, not for using a familiar system which is understood very well.

A. M. Alcorn,
St. Stephen's Walk,
Chesfield, Kent.

Post Office investment

From Messrs. Wynne Godley and Francis Cripps.

Sir,—The courteous letter from the managing director of the Post Office Investment Board (April 21) concerning our report on the planning of telecommunications does not touch on our main argument: indeed we have some difficulty in recognising our work at all in what he says.

We may in our report have said "nothing new in explaining the complexity of decisions in developing the telecommunications business, nor in pointing out their scale and significance." But our central contention was that the Post Office is unlikely, owing to its very constitution and terms of reference, to make an appropriate evaluation of these complex factors and indeed that the Treasury again proposes to confer, are likely to be influenced these in the wrong way.

What is new in our work is its suggestion as to how a much broader range of relevant factors than at present can be brought together into a comprehensive framework. The Post Office and the Government may well "recognise that the issues are complex and that many factors rightly bear upon our future strategy. Yet, but how? What factors are relevant? And how are they to be brought into balance with one another so that the right choices—in the end political ones—are made?"

As recently as 1976 over half of net investment was in electro-mechanical exchange equipment: the present modernisation plan is itself employing an obsolete technology (TXE); in digital switching and transmission systems, which are probably five years behind our most advanced competitors; the ordering of equipment has been chaotic, leading to large scale and unforeseen redundancies in heavily depressed areas; our international trade performance has been very poor and is deteriorating; it is unclear that the new service made possible by digital switching will be available early enough for U.K. business customers, unless we start importing on a significant scale.

What grounds can there be for supposing that things will be different in future? We are not at all impressed by the repeated assurances that "System X" will, when it eventually arrives, provide all the answers. It is certainly true that the new system is even entitled to be regarded as a lively danger that System X will be out of date as it is installed (like our current "modernisation" programme) and also unduly expensive. Francis Cripps,
Wynne Godley,
Department of Applied Economics,
University of Cambridge,
Sidgwick Avenue, Cambridge.

To-day's Events

GENERAL
Council of Europe Parliamentary Assembly ends. Strasbourg.
U.K. Chief of Defence Staff visiting China until May 3.
Confirmation expected of agreement between Portugal and International Monetary Fund for almost \$800m. Western-backed aid.
Mrs. Margaret Thatcher, Opposition leader, visiting Iran until May 2 for talks with the Shah and senior Ministers.
Mr. Albert Booth, Employment Secretary, addresses Labour Party North West region meeting, Bolton.
Mr. Len Murray, TUC general secretary, gives Institution of Production Engineers 1978 Viscount Nuffield Memorial Paper on "Industrial Relations with a Human Face" at University of Salford.
World Energy Economics conference continues. Inn on the Park, W.I.
Sir Peter Vaneck, Lord Mayor of London, opens King George's Fund for Sailors annual meeting, Mansion House, E.C.4.
PARLIAMENTARY BUSINESS
House of Commons: Private Members' Bills. The House then adjourns until Tuesday, May 2.
COMPANY MEETINGS
Authority Investments, Cadogan Hotel, S.W. 12.
Bonsor Engineering, Bostock Lane, Nottingham.
Dufay Bitumastic, Winchester House, E.C. 12.
English National Opera perform, 10.30.
Intercontinental Property, 16, Oxford Street, W. 11. Kode 7 p.m.
International, Calne, Wilts. 12.30 p.m.
Lex Service, 17, Great Cumberland Place, W. 12. Mixconcrete, The Aquadrome, Northampton, 12.30 p.m.
Oliver (Geo.), Leicester, 12.30 p.m.
Rentokil, East Grinstead, 10.30.
Spencer (Geo.), Nottingham, 12.30 p.m.
Tosmat Distillers, Mayfair Hotel, W. 12.5.
Transport Development, Great Eastern Hotel, E.C. 12.
Waverley Camera, Edinburgh, 12. Woodward (H.), Forbury, Liverpool, 3.
OPERA
Royal Opera production of Le nozze di Figaro, Covent Garden, W.C.2. 7 p.m.
English National Opera perform, 10.30.
Carmen, Coliseum Theatre, W.C.2, 7 p.m.
BALLET
Sadler's Wells Royal Ballet dance Solitaire, and Giselle, Sadler's Wells Theatre, E.C.1, 7.30 p.m.
MUSICALS
Lain Ledingham (organ), St. Stephen, Walbrook, E.C.3, 12.30 p.m.
Dana Forbes (piano) in programme of Beethoven, Chopin and Maw, Purcell Room, S.E.1, 7.30 p.m.
London Philharmonic Orchestra, conductor Daniel Barenboim, perform Schubert's Symphony No. 8 in B minor (Unfinished) and Symphony No. 9 in C (Great), Royal Festival Hall, S.E.1, 8 p.m.

Our business schedule to Italy gives you more opportunities than any other airline.

Being Italy's own airline, we can naturally offer you more flights. To more Italian cities. Morning, afternoon, or evening. With First Class on nearly every flight.

And, being Italians, we can naturally do more for you once you arrive.

VIP lounges for First Class passengers at the major Italian airports are just the start.

There's also Italtak: low-cost packages to major business centres, flexibly arranged to help you make best use of your time.

There's Alitalia Jet-Drive: selfdrive arrangements with Avis cars at 16 Italian airports.

And there's the Alitalia/Jolly Hotels Special Plan enabling you to save on hotel bills at any of 28 Jolly hotels throughout Italy.

You can use any of these special offers on any of Alitalia's highly-convenient scheduled services.

Also useful: over 50 Alitalia problem-solving offices, with latest flight information and reservation service. Then there's Alitalia's pocket-size problem-solver: "Business Traveller's Guide to Italy".

Seize your opportunities. See your Alitalia-appointed travel agent. Or send the coupon.

To: Alitalia, Distribution Dept., 251 Regent Street, London W1R 8AQ. Please send me the following Alitalia brochures:

☐ Timetable: UK-Italy ☐ Italtak ☐ Business Traveller's Guide to Italy

☐ Jet-Drive ☐ Alitalia/Jolly Hotel Special Plan

Name _____

Address _____

Company _____

FT28/4

Alitalia
We'll show the world.

COMPANY NEWS + COMMENT

Northern Engineering reaches £25m.

On turnover up from £339m. to £387m., Northern Engineering Industries, which was formed last August to effect the merger between Clarke Chapman and Reynolds Parsons, made pre-tax profits of £23.16m. in 1977 compared with an aggregate result of £22.11m. last time.

Exports reached £95m. and turnover of overseas companies £37m. After tax of £11.1m. (£3.64m.), extraordinary debits of £230,000 (£135,000), and minorities, the attributable balance is ahead from £11.1m. to £13.46m.

Earnings are shown at 20.74p per 25p share and the dividend total is 6p with a final of 4p.

The directors state that the results are backed by a strong balance sheet with improved liquidity. The outlook indicates reasonable confidence of continuing improvement in performance and profit. International Combustion (Holdings) has been treated as having been acquired on December 31, 1977 and accordingly its earnings for 1977 have not been included in the results.

comment

Northern Engineering's figures are right in line with market expectations after adjusting for the change of accounting at Howden Parsons, where the contribution to associate profits has been deducted and replaced by dividend income of £85,000 in 1977 and £250,000 in 1978. Stripping out exchange gains of £1m. (down from £3m.) NEI is ahead by 30 per cent. pre-tax and the dividend is 0.4p per share higher than indicated at the time of the merger. This year NEI is forecasting steady growth and with an initial contribution from its two recent acquisitions—International Combustion and Baldwin and Francis—profits for 1978 could be in the region of £32m. pre-tax.

Liquidity has improved by around £5m. while an announcement is expected within the next couple of months about the merger of its large boiler-making interests at Gateshead with Babcock and Wilcox. At 100p, where the p/e is 4.6 and the yield is 9.5 per cent., the shares are standing on an undemanding rating.

S. Simpson up £0.2m. so far

FOR TURNOVER up from £3.12m. to £3.63m. taxable profit of S. Simpson, the tailors and clothiers group, jumped from £641,000 to £840,000 in the January 31, 1978 half year.

After tax of £497,000 (£333,000) net profit was £403,000 (£308,000). Directors say the progress is being maintained.

For all last year profit of the group was a record £1.65m., with dividends totalling £3.125p. The interim dividend this time is steady at 1.3125p net per 25p share.

HIGHLIGHTS

Vickers' figures show the effects of nationalisation with the absence of shipbuilding and aircraft earnings in the second half leading to a sharp drop in profits. Tarmac reports a £16m. loss in Nigeria and, though domestic profits are 20 per cent. higher, overall profits are about £1m. lower. Tootal reports profits £4m. higher, but this masks a sharp slowdown in the second half, while on the trading front the Sunny Side spinning factory, which was making losses of £400,000 a year, has been closed. Lex also discusses the new light which yesterday's concessions from the Inland Revenue, over the treatment of profits on long-term contracts, casts on Wimpey's tax arrangements. Meanwhile, profits are 15 per cent. ahead after a 9 per cent. improvement at the half-way stage. First-quarter figures from Hoover were below market estimates but the shares finished higher on the day. Amalgamated Power has turned in another strong performance thanks to the U.K. activities. Half-time figures from Northern Engineering are in line with brokers' estimates but the full-year results from Minet restored some confidence in the insurance broking sector.

McKechie down £1.5m. halfway

SALES FOR the half-year to January 31, 1978 at McKechie Brothers were marginally higher at £71.39m. against £71.16m. but pre-tax profits fell from £8.33m. to £6.77m.

Earnings are shown at 6.9p (8.6p) per 25p share. The interim dividend is lifted from 1.5p to 1.75p net—last year's final was 3.45p and full year profits came to £15.72m.

The directors say that the U.K. acquisitions increased the company's stake in plastic processing and made a significant contribution to the improved U.K. profit.

Continuing recession in South Africa, and the expected sharp fall in demand in New Zealand led to lower contributions from these areas.

Second half trading in the U.K. opened more strongly for companies supplying consumer goods, and overseas slowly improving trend is becoming established, they add.

First half profits were reduced by exchange losses of £10,000. Group interests include the manufacture of non-ferrous metals and chemicals, and engineering.

comment

Lower overseas earnings coupled with exchange fluctuations account for McKechie's 19 per cent. shortfall in the first half. Contrary to its expectations, the continuing recession cut South African profit contributions from 30 per cent. last year to 10 per cent., while a downturn in New Zealand reduced its share by six points to 11 per cent. In addition, exchange fluctuations reduced group profits by

£210,000. These factors more than offset a sharp improvement in U.K. operations. Home profits boosted by its recent acquisitions in plastics processing rose by some £0.5m. This trend is expected to continue in the second half so the expected improvement overseas and a record favourable exchange rate factor in the latter months could see McKechie repeating 1977 pre-tax profits of close to £10m. The shares at 54p yesterday gave a prospective p/e of 5.5 on a yield of 10 per cent.

Hutchinson reaches £0.69m.

AFTER RISING from £330,000 to £410,000 at the nine month stage, pre-tax profits of Hutchinson finished 1977 ahead from £308,000 to a record £399,000 on turnover of £9.79m. against £7.63m.

Tax for the year absorbs £338,000 (£301,000) and extraordinary debits £13,000 (£68,000). The final dividend is 4.9p net per £1 share for a 7.9p (7.15p) total.

The group, which operates as printers and publishers, has "close" status.

Petrocon decline

FOR 1977 Petrocon Group reports turnover of £10.12m. and pre-tax profits of £0.69m., compared with £13.72m. and £1.5m. respectively for the previous 18 months. Earnings per 12.5p share are given at 8.45p (11.25p annualised) and the final dividend is 3.3601p net for a 4.5358p (4.4425p adjusted) total.

Profit was struck after associate companies' losses of £962 (£16,515). Tax took £186,013 (£873,399) and the attributable balance was £599,245 (£388,571) including a £43,200 extraordinary item. ED 19 has been applied and comparisons adjusted.

The directors state that the manufacturing division was again the major contributor to profits with Ham Baker continuing to perform well. Strong international competition and an unprecedented rate of inflation put severe pressure on profit margins.

Minet rises to £15.2m.

PRE-TAX PROFIT for 1977 of Minet Holdings, the insurance broking concern, advanced from £12.4m. to £15.2m. At half-time when the figure was ahead at £7.36m. against £5.91m., the directors forecast a satisfactory increase over the 1976 result.

In accordance with ED19, tax for the year takes £8.71m. (adjusted £6.08m.), leaving net profit up from £6.59m. to £6.5m.

After an exchange deficit of £255,000 (£224,000 gain), minorities of £350,000 (£318,000) and an extraordinary debit of £144,000 (£197,000 credit), the attributable balance rose from £4.33m. to £7.74m.

Stated earnings per 20p share are 16.03p (12.67p) and the dividend total is raised from an adjusted 3p to 3.3358p net, with a final of 1.37104p.

comment

Minet Holdings preliminary results beamed up a rather sickly looking insurance broking sector yesterday. Minet's own share price rose 7p to 180p on the better than expected figures, and shares of other brokers rose in sympathy. What helped the group's 17 per cent. rise in brokerage income was its orientation towards non-marine insurance, where its professional indemnity broking provided a useful contribution. However expenses rose at a faster rate of 18.5 per cent. due to the influence of currency factors. At the pre-tax level a better than expected advance in investment income contributed a third to the overall improvement thanks partly to £250,000 profit from a gilt sale. Otherwise a 60 per cent. jump in associates to £1.77m. achieved on excess and surplus line business from the U.S. and again professional indemnity, contributed to the overall advance.

In the current year the group is moving to new offices, but any increase in expenses could be offset by the now favourable downward movement of sterling. Pre-tax profits of £17.5m. could be achieved in the current year. At 180p they stand on a p/e of 11.1, and yield 2.8 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amal Power Eng.	2.84p	July 3	2.53	5.28p	3.66
Anglo-Scottish Int.	0.7	July 3	0.51	1.21	1.6
Belgrave (Blackheath)	2.98	July 3	2.5	5.48	2.14
Border Breweries	2.54	July 6	2.28	4.82	3.14
Common Bros. Int.	2	June 5	3	5	5.31
De Vere Hotels	2.66	July 3	2.42	4.65	4.2
Flight Refuelling	1.75	July 5	1.73	3.48	2.58
Grampian TV	1.5	July 28	1.37	2.87	1.99
Hawkins & Tysons Int.	2	July 3	1.14	3.14	3.99
Hutchinson	4.9	July 3	4.65	9.55	7.15
McKechie Bros.	0.3	July 3	0.15	0.45	0.5
Martin-Black	21	May 30	2.4	23.4	4.44
McKechie Bros. Int.	1.75p	June 2	1.5	3.25	4.85
Minet	1.27	June 27	1.14	2.41	3.33
MY Dair	1.1	June 27	0.26	1.36	2.17
B. & L. Nathan	2.3	June 19	2	4.3	3
Nhu. Engineering	3.36	June 9	1.58	4.94	4.44
Petrocon	1	June 16	1	2	3.8
Safeguard Indl.	0.89	June 15	0.59	1.48	1.64
Shiloh Spinners	1.31	July 3	1.31	2.62	3.81
S. Simpson	4.87	June 30	3.82	8.69	5.47
S. Smurfit	0.81	July 3	0.81	1.62	1.24
Spong & Co.	0.23	July 3	0.23	0.46	0.78
Tootal	1.82	July 3	1.4	3.22	2.46
Turnbull Scott	4.96	July 3	5.29	10.25	8.79
Vickers	0.69	July 3	0.61	1.30	0.81
George Wimpey	0.69	July 3	0.61	1.30	0.81

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Annualised.

Grampian Television higher

ON TURNOVER of £3.53m. compared with £2.74m. taxable profit of Grampian Television was lifted from £204,778 to a peak £372,183 in the year to February 28, 1978.

The result was after Exchequer Levy of £53,000 (nil) and is subject to tax of £197,406 (£170,311).

Earnings per 10p share are shown ahead from 4.5p to 5.5p and a final dividend of 1.5p net (takes the total to 2.2p (1.991p)), the maximum permitted.

De Vere hits peak £1.52m.

ANNOUNCING TAXABLE profit ahead by 32 per cent. from £1,152,609 to a peak £1,522,929 for 1977, the directors of De Vere Hotels and Restaurants say that trading prospects for the current year are encouraging and should result in a significant advance in profit over that now reported.

At midway, when profit was higher at £771,768 (£603,501), the directors forecast a record result for 1977.

Turnover for the year advanced from £13.22m. to £16.09m. and profit was struck after repair and renewal costs of £1,243,352 (£953,721). Interest of £133,910 (£131,088), depreciation £23,137 (£43,220) and directors' and auditors' fees.

Tax takes £745,114 (£524,189) leaving stated earnings up from 8.9p to 6.9p per 25p share. A final dividend of 2.6564p raises the total to 4.6529p (4.20351p) net. Mr. L. Muller, the chairman, has waived his entitlement to all 1977

Amal. Power up to peak £6.3m.

AFTER RISING from £1.13m. to £2.03m. in the first half, pre-tax profits of Amalgamated Power for Engineering finished 1977 ahead from £3.39m. to a record £6.29m. on turnover of £58.15m. against £48.33m.

Earnings are shown to be up from 20.46p to 27.77p per 25p share on capital increased by last year's one-for-three rights issue, and the dividend total is raised from 3.558146p to 5.28p net, with Treasury permission, the final p/e being 2.84p.

The tax charge comprises U.K. corporation tax £977,000 (£816,900) less prior year's adjustments £145,000, and in respect of 1977 dividend £373,000 (£203,000) less A.C.T. recoverable in respect of previous years' dividends £258,000 (£280,000); overseas subsidiaries £374,000 (£432,000); and overseas associated companies £136,000 (£110,000). Deferred tax of £1.25m. (£9.48m.) has not been provided for.

Total net assets at the year end stood at £23.5m. (£17.4m.) with fixed assets at £7.55m. (£7.04m.). Net cash at £2.25m. (£2.75m.) of borrowings, and other working capital £14.74m. (£12.50m.).

Dividends in respect of 5,440,308 (same) shares. A loss for 1977 on the disposal of property amounting to £41,174 has been met from capital reserve and retained profit improved from £385,726 to £509,110.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

On February 28, 1978, the company redeemed one-half (£500,000 nominal) of its 8 1/2 per cent. Convertible Loan Stock at a cost of £330,000.

The Partners of
Matthews and Goodman,
and John Postlethwaite & Co,
surveyors valuers and estate
agents, are pleased to announce
that the two practices
will merge on 1 May 1978.
The new firm will be known as
Matthews Goodman and Postlethwaite.
The firm will practice from
Malvern House,
72 Upper Thames Street,
London EC4R 3UA,
Telephone 01 248 3200
Martins Building,
4 Water Street, Liverpool L2 3SP,
Telephone 051 236 8732
63 avenue Marceau,
75116 Paris, Telephone 720 23 17.



MATTHEWS GOODMAN AND POSTLETHWAITE

مكاتب المحاسبة

Jefferson Smurfit's 50% increase in pre-tax profit reflects success of past investment.

Preliminary Announcement for the year ended 31st January 1978

	1978 £000	1977 £000	% Change
Turnover	175,886	141,941	+24
Pre-tax Profit	15,934	10,582	+51
Profit after Tax	11,097	6,487	+71
Extraordinary Items	10,560	(369)	—
Dividends per Share	7.3p	5.4p	+34
Earnings per Share	19.2p	11.3p	+70
Assets per Share	84.8p	46.6p	+82
Profit as % of Sales	9.1%	7.5%	+21

(Note—1977 figures adjusted for Scrip Issue)

The worthwhile growth

In sales terms is underlined by volume increases in our major businesses and substantial growth in profit terms reflects the positive investment policies of the past, current efficiencies and recovery situations.

The strong balance sheet

The overall balance sheet is extremely strong with borrowings net of cash amounting to £12.6m which were 50% of Shareholders' Funds and Government Grants. The receipt of over £18m since the balance sheet date in respect of the SCA transaction has put the company into an overall net cash position as of that date.

Comments on the year's performance by region

Ireland Sound economic conditions provided a healthy environment for trading and the results were good. Packaging companies performed well. Publishing was sound—printing unrewarding but with a better trend—distributing excellent—office equipment now profitable.

UK The business climate in the UK in the latter part of 1977 remained fairly static and whilst overall performances by our companies were good there is a certain flatness in

some areas—flexible packaging went extremely well—corrugating was sound—folding cartons somewhat dull—paper making had fair profits but in very difficult circumstances—merchandising was without lustre.

USA A disappointing year but the base of the business which is paper and packaging was stable—non-packaging activities, which are a small part of the whole operation, suffered substantial losses and a major culprit, O'Connor Drug, has been disposed of.

Nigeria The year finished strongly but business in general is finding the economic climate tough. We enjoyed good returns during 1977 but these will be difficult to sustain.

The future

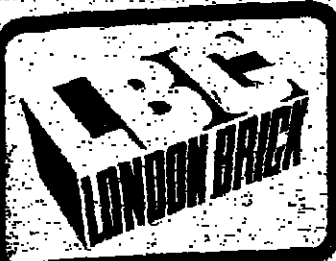
Our new financial year started quietly. There is confidence amongst operating management that it will be a good year but it is a little early yet to measure just how good. Economic predictions for Ireland are exciting and the UK should move forward. The USA business scene is improving. Nigeria will need special attention.

Capital expenditure of the order of £10m is planned for the current year which reflects the Board's confidence in the future. The company is well placed to recognise the many opportunities which will present themselves during 1978.

JEFFERSON SMURFIT GROUP LIMITED

Swords Road, Sundry, Dublin 9

PACKAGING, PAPER AND PRINT



LONDON BRICK COMPANY LIMITED.

business news

**WORLD'S
LARGEST
BRICKMAKER**

REVIEW

By the chairman
Sir Ronald
Stewart, Bt.

FINANCIAL RESULTS A RECORD

The following are extracts from the circulated statement of the Chairman, Sir Ronald Stewart, Bt., for the year ended 31st December 1977:

Turnover and profit for 1977 include figures relating to The Croydex Company Limited which was acquired with effect from 1st January 1977 and Midland Structures Limited which was acquired with effect from 1st February 1977. Demand was not as buoyant as had been hoped, but as a result of strict control it is pleasing to be able to report that the results of the year constitute a new record. Turnover increased from £76,580,000 to £91,354,000, including exports that amounted to £4,273,000. Profit before charging depreciation amounted to £14,064,000 compared with £12,141,000 for the previous year. After charging depreciation of £1,890,000 compared with £1,620,000, the profit before taxation was £12,174,000 compared with £10,521,000, an improvement of nearly 16 per cent.

In the past provision for deferred taxation has been made in respect of differences between depreciation and other charges provided in the accounts and the corresponding allowances for tax purposes, and also for relief given for increases in stock values. It has been decided this year to take account of the provisions of Exposure Draft 19, issued by the Accounting Standards Committee. In accordance with the terms of the Exposure Draft, provision for Deferred Taxation in 1977 has been made on the liability method only where it was thought reasonably probable that in actual liability would arise in the foreseeable future. As a result of this change in policy, the charge for taxation is substantially reduced.

After providing corporation tax at 52 per cent the profit after taxation amounted to £7,540,000, compared with £5,196,000 for the previous year. On the Ordinary Stock an interim dividend of 1.2942p per Ordinary Stock Unit of 25p has been paid, and a final dividend for the year of 1.9602p per Ordinary Stock Unit is recommended. The total dividend for the year on the Ordinary Stock therefore amounts to 3.2544p per unit and is the maximum permitted by the Treasury. The retained profit for the year amounted to £5,598,000 and has been transferred to reserves.

The Trading Year

At the start of the year confidence amongst housebuilders was weak and there was prolonged very wet weather. As the year progressed both confidence and the weather improved but nevertheless the results for the first six months were slightly down on those of the preceding year. By this time, the indicators which normally point to an impending improvement in housebuilding were favourable yet demand improved slowly and stocks continued to increase. Because of confidence in the longer term, production was maintained and as a result stocks had reached a very high level by the end of the year. In these circumstances tight control has been necessary in all sectors in order to ensure that profitability was maintained. A noticeable feature of the year is that for the first time turnover from activities other than clay products reached 30 per cent. This is evidence of the attention that has been given to broadening the base of the Group's activities.

Sir Ronald Stewart reports on London Brick 1977

New acquisitions — Croydex and Midland Structures

The acquisition of Croydex, the major acquisition during 1977, which took effect from the 1st January 1977, was referred to in my statement last year. The company has an established name for its products which are mainly for the home and the garden. Its outlets are mainly through some of the major stores, mail order houses and wholesalers. It is not itself involved in direct retail selling. Based at Andover, it has two factories where the raw materials are processed and the bought-in parts are assembled to produce the finished products, most of

which are of the company's own design. The growth record is impressive and it again increased profit in 1977.

The company exhibited at the International Spring Fair which was the first exhibition to be held at the new Exhibition Centre near Birmingham. We were honoured by the visit of Her Majesty Queen Elizabeth, the Queen Mother, who showed considerable interest in our products. A continuous programme of development and improvement of products is essential in this trade and receives constant attention from senior management. One result was the

launching at the Gardens and Leisure Exhibition in October, of a new range of "Husky" garden products, which was well received by the trade and is expected to produce substantial additional turnover in 1978.

The acquisition of Croydex marks another step along the established policy road which leads to less dependence on the cyclical nature of new house-building and a wider range of products and services which the Group can provide. In accordance with the undertaking given at the time of acquisition, the company retains its separate identity and

management. We welcome the company to the Group and look forward to its continued growth and prosperity.

Our engineering facilities were increased during the year by the acquisition, with effect from 1st February, of Midland Structures Limited, an engineering company which is based in Bedford and mainly concerned with structural steel work. In the past Midland Structures had carried out a good deal of work for us and as a result both companies were well-known to each other. We look forward to an expansion of the company's activities.

Demand

The year was one in which, with the exception of industrial building, the level of activity throughout the construction industry declined below the levels of 1976. In the private sector, the level of housing starts failed to respond to the substantially lower interest rates, the improvement in the ratio between house prices and incomes and the availability of mortgage funds. In the first three months of the year starts were down by 36 per cent. In the public sector, the effect of expenditure cuts amounting to £1,400 million were little alleviated by subsequent reductions and for the year as a whole starts fell by nearly 23 per cent compared with 1976. In the private sector the fall was approximately 13 per cent. Inevitably the recessionary nature of the market has been reflected in lower brick sales. In fact the number of bricks sold was the lowest since 1949.

Production

In spite of the decline in demand, production has been maintained throughout the year. This is a matter that has had to be kept under review as stocks of bricks mounted. Attention was drawn to this situation at the time of the Annual General Meeting held on the 19th May 1977 and again in the Interim Report issued on the 25th August 1977. Whilst trade conditions did show some improvement, it was slow to come through and disappointingly small in amount. The result was an abnormally high stock, which by the end of the year represented over six weeks' production. The decision not to cut output reflected confidence in the longer term improvement in demand, but it was nevertheless a difficult one to reach.

It is pleasing to record that industrial relations during the year have been good. It is inevitable that from time to time there will be some local differences of opinion on industrial relations matters but the consistent policy of senior management maintaining a close and constant dialogue with Trade Union officials and employees' representatives has again shown its worth and no production was lost during the year as a result of industrial action.

A major change has taken place at Clock House Works. All production of hollow clay blocks has ceased and the old tunnel kiln demolished, as has one of the two Zig-Zag kilns. The remaining kiln is still in use producing field drain pipes. On the site, and utilising a substantial part of the existing buildings, a new brick works is being constructed, and it is anticipated that it will come on stream in May or June 1978. The output of this works will be 500,000 high quality simulated hand-made bricks per week. It will be the first non-fleiton brick works built by the Company.

Prices

During 1977 delivered prices were increased by approximately 16 per cent, which was necessitated mainly by increases in production costs in respect of labour, power and bought-in materials, and also to a part recovery of the costs of the investment programme as provided for in the Price Code.

The slowly reducing rate of inflation has, in more recent months, begun to take effect and it has therefore been possible to hold prices since August 1977. Inevitably a review will be necessary early in 1978.

Estates

The work of our Estates Department tends to become more complex in the light of present day requirements. The department is charged with the responsibility of looking after the Company's land and properties, negotiations in respect of the letting of farms and houses and dealing with the tenants and their problems. It must also design and control the construction of new buildings. An additional task which is of increasing importance in the light of present day environmental requirements is involved in the preparation and execution of schemes for tree planting and landscaping. A new forest tree nursery has been established and extra foresters appointed to assist in its maintenance. During the year a nature reserve was set up in a 40 acre water-filled pit at our Calvert Works near Buckingham, in association with the Berkshire, Buckinghamshire and Oxfordshire Naturalists' Trust.

The Estates Department has also been responsible for the Company's extensive farming activities and our Pedigree Dairy Shorthorn cattle have had another successful year at the Agricultural Shows, with no less than 13 prizes.

It has now been decided that our own farming activities should be separated from the Estates Department and established under a separate subsidiary company, London Brick Farms Limited. This does not mean just adopting a different form of organisation as changes in the type of farming and the stock maintained are involved. In particular there will be a concentration of arable farming in the Stewartby area and a new dairy unit established at Peterborough stocked with Friesian cattle. It was with some sadness that it was decided to end the link with Dairy Shorthorns but we look forward to the creation of new links and the benefits to be derived from a new herd and breed. The new company formally commenced operations on the 1st January 1978.



Distribution

Our own fleet of vehicles continues to be the principle method of delivering our products to our customers and during 1977, 62 per cent of all deliveries were effected in this manner. Whilst the number of vehicles in use has reduced, efficiency has again improved, the number of bricks delivered per vehicle day showing a 4 per cent increase. The demand for bricks to be delivered by vehicles having Selfstak equipment continues to grow, and over 70 per cent of our vehicles now have this facility. Once again it is possible to report that the number of accidents in which our vehicles were involved showed a reduction on the previous year.

We, and all other fleet operators, are likely to be affected by E.C.C. legislation and regulations which will have the effect of reducing the number of driving

hours per day, the maximum distance certain vehicles may be driven per day and the use, on vehicles, of a recording device known as a Tachograph, to which Trade Unions are strongly opposed. These changes will seriously reduce productivity and increase the costs of distribution unless the present maximum load permitted to be carried is increased. At the present time the total weight of the vehicle and its load must not exceed 32 tons. By changing the technical specification of the vehicle, it would be possible to increase this weight to 40 tonnes. Such vehicles would be indistinguishable in size from those currently in use. It is therefore important that the Government accepts the need for the legislative changes necessary to permit the higher gross vehicle weight.

Tribute

The year has produced its problems, notably the slower than anticipated increase in demand for our products and the consequent rise in stocks. We all know, from past experience, the disruption that can be caused to the lives of our employees when it is necessary to reduce production and we were determined to avoid such effects last year, if at all possible. Employees were kept

informed of events and responded to the requirements of the time. This once again demonstrated the close dialogue that is maintained between all sections of our work force, and the understanding that it creates. All employees have an important role to play in the Group's activities and we much appreciate their continued loyalty and support.

Overseas Activities

The increasing activity that we have in overseas markets is again reflected in the value of goods exported. During 1977 exports amounted to £4,273,000 compared with £1,495,000 for the previous year. Whilst these sales still represent a very small proportion of total turnover, they have increased at a substantial rate during the last two years. The Parent Company, London Brick Buildings and Croydex have contributed to this increase, and all are continuing to seek further outlets for their products and services in overseas markets.

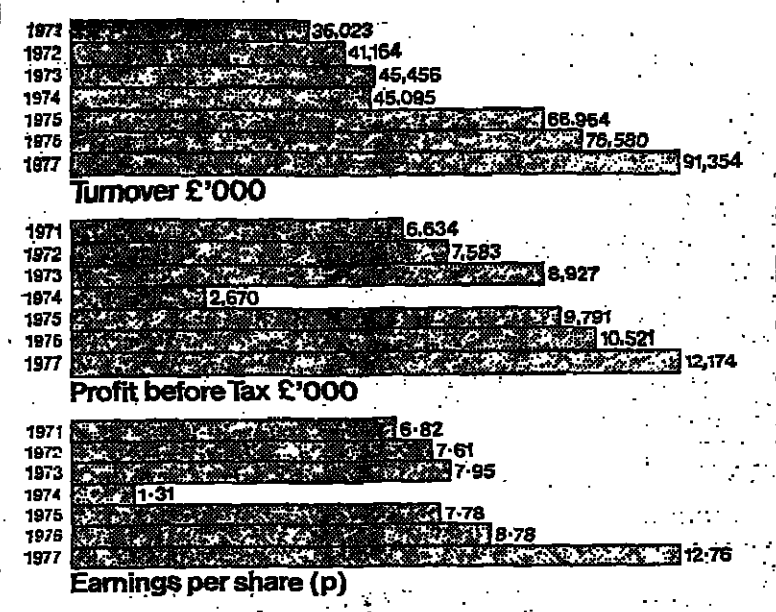
The joint venture in Iran has progressed well. By the end of November we had dispatched under our supply contract and within the delivery dates set, a total of 68 loads of machinery and

steelwork weighing over 1,000 tons. The construction of the brickworks was delayed by extremely bad weather early in the year, and no work was possible for two months. Nevertheless the first kiln was lit during December and it is anticipated that the second kiln will be lit during the summer of 1978. During the year Tehran London Brick Company increased its issued share capital. It is evidence of the great confidence in the venture that exists locally, that the new issue was heavily oversubscribed.

London Brick Buildings has extended its overseas operations and reference has already been made to Saudi Arabia and America. In addition the venture in Abu Dhabi commenced to

trade during the year. Whilst the build up of sales has taken time the level of activity has now increased. A further joint venture has been established in Nigeria, a country which has enormous demand for the products to be produced.

Croydex has in the past been involved in overseas markets rather nearer to home, its main outlets being in Europe. Such sales continue to grow satisfactorily and recently a contract has been secured to manufacture a range of "Croydelle" products for an internationally known company in Europe. In addition to the usual stand at the Cologne International Housewares Fair, exhibitions were attended for the first time in Tokyo and New York.



LONDON BRICK LANDFILL

The company was originally formed as London Brick Land Development Limited but changed its name on the 21st June 1977.

The company, using the trade name, "Easidispose", offers a wide range of waste collection and disposal services to Local Authorities and Industry. Demand for those services has again shown an increase, turnover having increased by approximately 60 per cent which in turn has resulted in a satisfactory contribution to profits.

After some years of complex discussion and negotiations with the Greater London Council, the company has been successful in competitively tendering for two large domestic waste contracts. The first of these is the "Hendon Rail Transfer Scheme" and has been referred to previously as the "Brent Scheme". The contract is for the reception at the company's transfer station, compaction, transportation and disposal of more than 200,000 tonnes of domestic waste a year. The second contract is for the reception and disposal of domestic

waste from Hillingdon. In this scheme the Greater London Council will operate its own transfer station and arrange transport to our Calvert Works near Buckingham. This contract also provides for the disposal of over 200,000 tonnes per annum of domestic waste.

The industrial waste collection and disposal services have also continued to expand. With the reduction in the number of outlets for the disposal of notifiable wastes, industry is facing increasing problems to which we endeavour to provide a satisfactory answer in the areas in which we operate. Applications for planning consents for disposal of certain wastes are inclined to bring a certain amount of comment which is often ill-informed and inaccurate. Quite apart from the strict control that is exercised through legislation, we have always been prepared to show to those concerned in our areas of operation what we do and how we do it. As a result of this open policy we have usually been able to remove the unfounded worry that has existed.

LONDON BRICK BUILDINGS

The continuing squeeze on the level of disposable incomes and high unemployment generally, have resulted in a difficult year, particularly for the domestic products. Against very strong competition, sales have been very well maintained but margins have been adversely affected. During the year the policy of divisionalisation that was commenced in 1976 was completed and the changes will assist internal management control and marketing policy and will also provide a sound base from which to take advantage of a future uplift in the market. A new range

of domestic ornamental steel products under the name Royal Empress has been launched, which will supplement the existing range of Royal Princess gates. Banbury Commercial Buildings has maintained satisfactory sales of industrialised prefabricated buildings in a depressed United Kingdom market but more particularly the company has achieved considerable success in Saudi Arabia. The bungalow and school contracts reported last year have resulted in further orders and this activity has made a substantial contribution to profits.

Prospects

In the year to date brick deliveries have shown a marked improvement over the same period of the previous year. Whilst the rate of increase is unlikely to be maintained, forecasts indicate that housing starts will be higher

in 1978 than they were in 1977. Group activities, not associated with the construction industry, have also commenced the year well and the outlook is one of cautious optimism.



All you need to know about London Brick

Please complete the coupon below if you would like to receive copies of the Annual Report and/or the Brochure which outlines some of the Group's wide range of interests.

To: The Secretary, London Brick Company Limited,
12 York Gate, Regents Park, London NW1 4QL
Please send me a copy of the Annual Report and/or the Brochure.

Please tick ANNUAL REPORT ☐ GROUP BROCHURE ☐

Name

Address

Post code

Loss of vested profits cuts Vickers to £25m.

WITH THE contribution from its nationalised shipbuilding and aircraft interests cut almost £13m. to £11.83m., pre-tax profits of Vickers slumped from £38.3m. to £25.06m. in 1977. Turnover dipped from £424.23m. to £402.39m., and includes shipbuilding sales of £59.14m. (£204.25m.).

Directors said at half-time when profit was £2m. higher at £16.58m., that it was clear that interest on compensation for the vested assets would not match the earnings of those two businesses, and consequently second half profits would not match those of the opening period.

They now say that the continuing business, overall, produced profits at a similar level to that achieved in 1976, despite a background of difficult trading conditions in many operating territories and severe currency fluctuations totalling some £1.2m.

The U.K. engineering group again achieved increased profits, while the engineering activities in both Australia and Canada broadly maintained their position. However, Algraphy's performance was particularly outstanding and the Roneo Vickers office equipment group is beginning to benefit from a major re-organisation. The group's heavy cost of development of new technology not yet commercially exploited together with the intense competition in the submersible operating business combined to produce a substantial loss.

A breakdown of trading conditions shows: Engineering—U.K. £6.7m. (£8.2m.), Australia £3m. (£3.4m.), and Canada £2.4m. (£2.6m.); Office equipment and supplies £3.8m. (£3.2m.); Lithographic plates and supplies £1.1m. (£1.5m.); Offshore engineering (loss £2.5m.) (£0.1m.); Optical instruments £0.5m. (£0.5m.); Shipbuilding £3.8m. (£4.7m.). Net interest includes a £0.1m. credit (£0.5m. debit).

The pre-tax profit includes a £7.97m. (£20.9m.) share of associate profits, with £7.97m. (£19.98m.) contributed by British Aircraft Corporation (Holdings).

The result is subject to tax of £11.01m. (£19.16m.). Earnings per £1 share are shown at 28.1p (40.2p) before extraordinary items. A final dividend of 5.964p net takes the total to 9.814p, the maximum permitted (£7.866p).

1977 1976
Sales 402.39 424.23
Trading profit 25.06 38.30
Investment income 2.72 2.11
Extraordinary items 0.28 0.00
Assoc. profits 7.97 19.98
Profit before tax 25.06 38.30
Tax 11.01 19.16
Net profit 14.05 19.14
To minorities 1.38 1.14
Extraordinary losses 1.65 0.74
Attributable 11.09 15.26
Dividends 4.65 4.22
Reserves 11.25 11.25

However, the uncertainties surrounding compensation for nationalisation, together with the current lack of growth in the U.K. industrial economy make forecasting difficult, they say, but some growth in the continuing business is expected.

Directors say that in the interim statement the hope was expressed that negotiations on compensation would have advanced to a stage where it would not be possible to take a considered view of the likely outcome.

The company has to date, however, only received a payment on account of £3.05m. in respect of its former 50 per cent. ownership of British Aircraft and on April 21, 1978 an offer of a payment on account of £4m. relating to its former shipbuilding activities, both of these amounts are being accepted without prejudice to later negotiations.

Accordingly, the benefit to the 1977 profit before tax is confined to interest accrued to December 31 on these amounts, totalling £397,000. It is astonishing, they say, to record that formal negotiations between the Government and the company's stockholders' representatives have not even commenced and this long delay, together with the absence of substantial payments on account, is inevitably inhibiting the forward planning of the company and delaying its re-investment programme.

M Y Dart slightly ahead at midway

ON TURNOVER of £7.04m. for the 26 weeks to December 31, 1977 compared with £6.45m. pre-tax profits of M. Y. Dart, sports equipment, packaging materials and protective coatings group is shown ahead at £744,000 against £716,000. The comparative figures of turnover and profit were after a pre-acquisition adjustment of £0.35m. and £48,000 respectively.

The interim dividend is raised from 0.26p net per 10p share to 1p, on capital increased from last year's rights issue—last year there was a second issue of 84p and a final of 1.274p paid from record profits of £1.71m.

In the first half the packaging and pyrotechnic divisions achieved increases in sales turnover and trading profit, the directors state. In sporting goods, satisfactory trading was done in the home market and new products were well received. In exporting, the continuing competitiveness of world trade and the strength of sterling in relation to the U.S. dollar have, however, been unhelpful factors, they add.

Expenditure in setting up the warehouse and factory in the U.S. in penetration of overseas markets and in the development and marketing of new product lines represents costs the planned benefits from which are not reflected in current results.

The 1977/78 year is proving to be another important year of investment for the expansion of its activities by acquiring the business of Daves Cycles, the directors say. Substantial sums are also being invested to increase the productive capacity of the group's two main packaging businesses, that is in printed cardboard cartons and in moulded expanded polystyrene.

They explain that much of the work and capital expenditure this year will not add to the full year's profits, but they are confident that it is well designed to assist the continued growth of the group at a satisfactory rate.

1977 1976
Turnover 7.04 6.45
Pre-tax profit 744 716
Tax 397 372
Net profit 347 344
Dividends 134 96

After pre-acquisition adjustment of £0.35m. and £48,000, after relief for stock appreciation and for capital allowances in excess of depreciation.

The directors state that the tax charge for the full year will be alleviated by reasons of capital allowances exceeding relevant depreciation provisions. It is also expected that there will be further relief in respect of stock appreciation.

Wolstenholme Bronze sees progress

Assuming reasonable economic conditions across the world, Mr. Alan Green, the chairman of Wolstenholme Bronze Powders, tells shareholders in his statement that he has every reason to suppose that the company should see satisfactory progress during the current year. All subsidiaries have started 1978 with increased levels of turnover and he is confident that they will again make a significant contribution to profits.

As reported on March 30 taxable profit for 1977 rose some 20 per cent. from £1.17m. to £1.4m. on turnover up from £7.96m. to £9.17m. The dividend is stepped up to 7.816p (7.03973p).

During the year the group acquired Charles Openshaw and Sons (Manchester), which achieved a pre-tax profit for 1977 of £337,293. But only £33,116 was included in the group results, being the amount earned after the date of acquisition.

Mr. Green says that 1978 has started with a modest increase in the order level for bronze powders, but he says that because of the wide spread of the group's market it is not possible to predict with any accuracy whether this improvement will continue. In terms of productive capacity, the group is well placed to cope with any increase in demand.

A study was undertaken to establish whether it is possible for Wolstenholme to exert an influence on the demand for gold package printing and the chairman says that the conclusions are encouraging. A programme will now be undertaken to influence the creative designers who originate package design.

Mr. Green says the directors consider that the deferred tax account has now reached an unrealistic level and that the tax charged in the profit is considerably more than is necessary. However, the company has made no change to the accounting treatment so far.

Former chairman, Mr. P. L. M. Rink, died on March 12, 1978. Meeting, Bolton, on May 22 at noon.

BANK RETURN

BANKING DEPARTMENT	
LIABILITIES	£
Capital	14,255,000
Public Deposits	28,450,000
Special Deposits	1,250,000
Bankers' Balances	316,904,300
Reserves & Other	634,213,516
And	27,320,700
ASSETS	
Govt. Securities	1,780,261,082
Investment & Other	191,149,989
Advances	167,412,100
Prepaid Expenses	355,105,401
Notes	21,962,332
Other	1,719,000
And	27,320,700

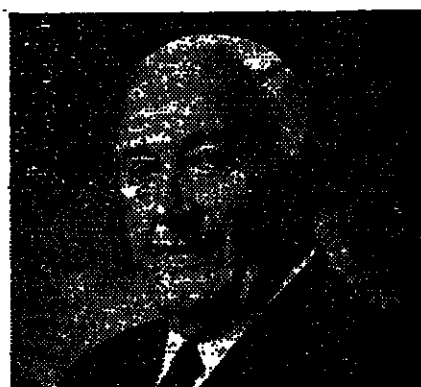
ISSUE DEPARTMENT

LIABILITIES	£
Govt. Securities	2,960,000,000
Investment & Other	1,901,000,000
Advances	24,200,000
Notes	24,200,000
Other	24,200,000
ASSETS	
Govt. Securities	11,016,100
Investment & Other	1,151,532,044
Advances	857,145,254
Notes	19,534,601
Other	19,534,601

ISSUE DEPARTMENT

LIABILITIES	£
Govt. Securities	2,960,000,000
Investment & Other	1,901,000,000
Advances	24,200,000
Notes	24,200,000
Other	24,200,000

'Record assets now exceeding £1000 million for the Britannia.'



Summarised from the 1977 Annual Report of the Britannia Building Society by Sir Hubert Newton, Hon. MA (Keele), F.C.S., F.B.S., Chairman.

In a year which has seen the expansion of the Britannia into many new areas

throughout the country, and the record sum of £181 million advanced to some 21,500 borrowers (including 10,000 first-time applicants) the financial growth coupled with the exceptional stability of the Society has been quite remarkable.

Assets reached a record level of £965 million in 1977, and have subsequently risen to over £1,000 million.

Reserves increased to £38.7 million representing 4% of total assets while the market value of the Society's investments on the 31st December, 1977 stood at a total £114 million—some £7.4 million above the figure at which they appeared in the 1977 balance sheet.

Tax paid by the Society on investors' interest was £19.5 million, and corporation tax paid of £1.8 million brought the Society's total tax bill for the year to some £21.3 million.

In conclusion, 1977 was a year of considerable activity for the Britannia and, at the same time, one of unprecedented but sound growth.

My thanks to my colleagues on the Board, to all our staff throughout the country, our agents, and last but not least, to our many members and friends whose combined efforts have produced such excellent results.



Britannia
Building Society
Always there to help.

Chief Office, Newton House, Leek, Staffs. Tel: 0538-385131.

BPC

The British Printing Corporation Limited

Substantial Improvement in Trading Profits

Points from the review of the Chairman
Peter Robinson

PROSPECTS: The higher level of activity in 1977 has continued in most of our companies this year so far.

TRADING PROFITS: A substantial improvement to £9.4m (£6.4m in 1976), an increase of 47 per cent.

DIVIDEND: An unchanged final dividend (2.1825p) is recommended: total for the year 3.1825p.

	1977	1976
(Figures in £'000)		
Sales	154,863	143,594
Trading Profits		
Printing	3,159	1,050*
Packaging	2,613	2,335*
Publishing	3,661	3,023*
Profits before tax and extraordinary items	5,788	3,160*
Earnings per ordinary share	11p	0.5p*
Net tangible assets per ordinary share	109p	108p*

*(As adjusted)

Copies of the Annual Report and Accounts may be obtained from The Secretary, The British Printing Corporation Ltd., Print House, 44 Great Queen Street, WC2B 5AS.



JUDGE A PENSION PLAN BY HOW IT FIT YOUR LIFESTYLE

Pension plans are as individual as the people they cover. And what works effectively for your neighbour, might be inadequate for your own retirement plans. That's why choosing the right pension plan—at the right time—can make all the difference.

For instance, our DEK Plan, with its new improved terms is especially designed for employers wishing to provide pension and life assurance benefits for Directors, Executives and Key employees.

It's an extremely tax-efficient arrangement, whether used for all of the benefits or as a supplement to an existing scheme.

DEK Plan reversionary bonus rates now pay 4% per annum on the benefit itself plus 5% on attaching bonuses. There's clearly never been a better time than now to investigate this remarkable plan.

And the same bonus rate increase applies to our Adaptable Personal Pension Plan which caters for the self-employed and those in non-pensionable jobs.

Each plan is tailored to individual requirements, allowing an investment of up to £3000 a year with tax relief at the highest rate paid.

As one fiscal year ends and another starts, you'll have the greatest tax advantage if you act now.

And remember, while retirement and pension plans may seem light years away from your thoughts today, the right decision now can make all the difference later.

Post the coupon and we'll send you details. Or ask your broker.

The FS Assurance, 190 West George Street, Glasgow G2 2PA. Telephone 041-332 6462.
Glasgow, London, Manchester, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Lyon, Newcastle, Southampton.
Branches at: Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Lyon, Newcastle, Southampton.
Name (Mr/Ms/Ms/Ms)
Full Postal Address
Tel No.
Date of Birth

FS ASSURANCE LIMITED
Over 75 years of Scottish Experience
190 West George Street Glasgow G2 2PA
Telephone 041-332 6462.
Branches at: Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Lyon, Newcastle, Southampton.

TOMATIN DISTILLERS COMPANY LIMITED

Proprietors of the largest Malt Whisky Distillery in Scotland

Substantially increased profits in 1977

Highlights from the statement by the Chairman Mr. R. S. H. Callingham:

Turnover £10,017,000	up 34%	"Orders are running ahead of those received at this time last year and this should be reflected in the profits for 1978"
Pre-tax profit £731,000	up 70%	
Earnings per share 8.07p	up 47%	
Dividend increased by maximum permitted		

Copies of the Report and Accounts may be obtained from The Secretary, 34 Dover Street, London W1X 4HX

TOOTAL

Continuing profit growth led by strong UK sales and exports.

Preliminary results for the year ended 31st January 1978

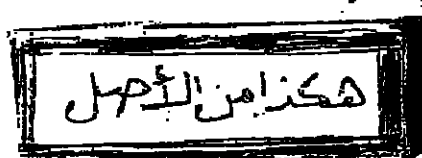
	£ million	Increase on 1976/77
SALES	361.2	+11%
EXPORTS from U.K.	55.2	+23%
PROFIT before Taxation	21.8	+22%
EARNINGS on Ordinary Share Capital	14.3	+52%
EARNINGS per Ordinary Share	8.1p	+37%
DIVIDENDS per Ordinary Share	2.7238p	+10%

In the second half of the year, the continued improvement in U.K. results was particularly heartening, and overseas a declining profit trend was arrested. Group activities in Australia made record profits.

The results for the current year will depend to a large extent upon the degree of expansion of world trade and a recovery in consumer spending in the U.K. Trading conditions so far have not been easy but some encouragement can be drawn from preliminary indications of bookings for the second half of the year. The Board expects to maintain its present course, aided by the benefits of recent acquisitions and continuing reorientation to exploit changing market demands.

The Report and Accounts will be posted to shareholders on 2nd June 1978 and the Annual General Meeting will be held in Manchester on 28th June 1978.

Tootal Limited, 56 Oxford Street, Manchester M60 1HJ





Amalgamated Metal Corporation Limited

extracts from the Directors' Report for the year ended 31st December, 1977.

Financial Highlights	1977	1976
	£000	£000
Profit before taxation	6121*	7946
Profit before extraordinary items	2250	3243
Per Ordinary share	34.0p	49.8p
Extraordinary items	652	319
Net profit	2902	3562
Per ordinary share	44.4p	54.9p
Ordinary shareholders funds at book value	27050	26744
Per ordinary share	430p	426p
Shareholders funds employed including investment appreciation	37736	36807

*Note: Profit before taxation in 1977 is after an exceptional loss of £1,804,000.

The profits of the Group for the year were seriously affected by the exceptional loss of approximately £1.8 million, the result of an

elaborate fraud by a supplier in the Far East. But for this, the profits pretax were virtually the same as last year.

World economic growth in 1977 was even slower than anticipated and prospects for 1978 suggest that dull commodity markets will continue, providing difficult conditions for the operations of the Physical Trading Division. Amalgamated Metal Trading, our ring dealing member of the London Metal Exchange, performed well, our industrial interests significantly improved their profits in most cases and our tin smelting companies in Malaysia and Nigeria also did well.

The Directors recommend payment on 31st May 1978 of a final ordinary dividend of 10.812p per share, making 15.812p per share for the year. The total dividend represents the maximum permitted under legislation, taking into account the change in the rate of advance corporation tax in 1977.

The Annual General Meeting will be held at Winchester House, E.C.2. on 22nd May 1978 at 10.00 a.m.

Copies of the Report and Accounts may be obtained on request from The Secretary, Amalgamated Metal Corporation Limited, 2 Metal Exchange Building, Leadenhall Avenue, London EC3V 1LD

Hoover's first quarter fall

WITH BOTH U.K. and overseas trading conditions depressed in the first quarter of 1978, sales of Hoover dropped 16 per cent to £40.06m, and pre-tax profit from £3.66m to £2.4m.

The downturn was anticipated by directors, and the pre-tax figure comprises trading profits of £1.45m (£3.86m) and exchange losses of £2.41m, compared with gains of £0.22m. The contribution from the 50 per cent owned Hoover (Holland) dipped £22,000 to £12,000.

After tax of £0.73m (£2.07m), earnings per 25p share are shown unchanged at 8p. For all last year, profit fell £4.73m to £12.24m, and dividends of 14.82 net were paid.

Directors hope market conditions in the U.K. will show some growth when the tax reductions announced in the Budget take effect. The relaxation of controls in credit sale arrangements may also provide a minor stimulus. Generally there is little change in the position overseas. Improvements have been seen in some countries and it is expected that better conditions may develop in other countries as the year progresses.

The range of new products recently announced has been well received by dealers both in the U.K. and overseas and supplies are now beginning to reach the shops. It is expected that these will play a significant role in maintaining its leading position in a fiercely competitive market, say they.

comment

Market forecasts for Hoover's first quarter trading profits were widespread but most were in the

£2m. to £3m. range. So the 63 per cent fall to £1.45m. is disappointing. Admittedly the latest figures are comparing with a quarter which saw considerable restocking by retailers after the mini-boom in domestic appliance sales at the end of 1976, but the underlying trading pattern is still very poor. January industry figures show that manufacturers' deliveries continue weak and with most retailers carrying reasonably high stocks any revival in consumer buying may not work through to Hoover until the second half. Possibly the Budget might speed up the recovery in consumer spending and inject a bit more profit into Hoover's second quarter but even so the half year figures will have little chance of matching the comparable period. However, demand picks up and Hoover is able to unload some of the hefty stocks profits should start to improve and most analysts are aiming for higher trading profits for 1978 as a whole, though again the spread of forecasts is wide. On a yield of 6.8 per cent, the shares at 330p are high enough for the present.

See also Page 34

WHITECROFT BUYS

...Whitecroft, the textile to building group has acquired the capital of Moorlite Electrical designers and manufacturer of specialist lighting systems for £3.24m cash. The acquisition, says Whitecroft, will complement its building supplies interests.

Pre-tax profits of Moorlite for the year to March 31, 1977 totalled £848,000, while net assets (including deferred taxation of £572,000) were £2.35m.

50% growth for Smurfit

PRE-TAX profits of Jefferson Smurfit rose by 50.6 per cent from £10.58m to a record £15.93m for the year to January 31, 1978, on turnover ahead by 23.8 per cent from £41.5m to £51.7m.

A half-time group reported profits up from £5.62m to £6.53m and the directors were confident that the group's traditional pattern of higher earnings in the second half would follow.

The directors now say that the growth in sales terms is underlined by the volume increases in the group's major businesses and the substantial profit growth reflects the positive investment policies of the past, they say, as well as current efficiencies and profit recovery situations.

The current year has started quietly for Smurfit but there is confidence that it will be a good year, although the directors say it is a little early yet to measure just how good. Economic predictions for Ireland are exciting, they say, and the U.K. should move forward. The U.S. business scene is improving. The state, but in Nigeria some special attention they feel will be needed.

Earnings per 25p share are shown as 19.2p (11.3p) on capital increased by a one-for-three scrip issue, and the dividend is effectively raised from 5.472175p to 7.242p with a final of 4.867p.

In Ireland sound economic conditions provide a healthy environment for trading and the results there were good. The business climate in the U.K. in the latter part of 1977 remained fairly static and while overall performance by group companies were good there was a certain sluggishness in some areas.

The directors report "a disappointing year" from the U.S. activities but the base of the business which is paper and packaging was stable. The major problem, company, O'Connor Drug, has been disposed of, they add. In Nigeria, the year finished strongly, they say, but business in general there is finding the economic climate tough. "We enjoyed good returns during 1977 but these will be difficult to sustain."

The participation by Svenska Cellulosa Aktiebolaget (SCA) in 48 per cent of the group's corrugated interests from August 1, 1977 means a loss of after tax earnings from that source. This has been compensated for in the average of 6.9 and 9.2 per period, by the interest income on

the outstanding consideration. There was an extraordinary credit this time of £10m. (31, 1978, on turnover ahead by 23.8 per cent from £41.5m to £51.7m.)

Share of assoc. cos. 11.96m
Minorities 1.99m
Attributable 13.95m
Reserves 13.95m
Total 27.90m

Total assets increased £50.71m to £58.02m, and per share increased by 5 pence at the year end to 19.2p. The overall balance sheet stood with borrowings of £1.24m, cash amounting to £15.6m, and a net profit of £15.93m. In respect of the SCA transaction has been taken into an overall net position as of that date.

comment

Jefferson Smurfit has made its growth rate in the second and full year profits are 5 per cent higher. At volume of activities has lifted margin around one and a half per cent. The main reason for the company, going to credit of the shareholders revenue reserves.

Norwich Union active in equity purchases

Norwich Union Insurance Group intends to invest a significant proportion of its new money in equities during the current year, following a period of years when its investment in this sector has been confined almost entirely to taking up rights issues. This was revealed at the publication of the 1977 report and accounts. The group has already been active in equity purchases during the first quarter of the year.

Mr. Desmond Longe, in his chairman's statement, reveals that only £2m. out of the £125m. available last year was invested in Ordinary shares mostly by taking up rights. In 1976 only £12m. out of £100m. was invested in this sector. Last year most of the new money—£75m—was invested in gilts where yields were still very high.

However, it was revealed that the majority of new money available this year will still be put into fixed-interest and the group will still be actively involved in property investment, primarily through developments. Last year £25m. was invested in property with the group being involved in a number of substantial commitments including a commercial project at Euston Station and a comprehensive city centre development in partnership with Peterborough Development Corporation.

At the end of 1977, gilt holdings in the life funds amounted to £17m. and accounted for 22 per cent of the total assets of £190.7m. Equities at £37m. accounted for a further 19 per cent, and property at £55m. a further 29 per cent.

Annual premium income of funds in 1977 rose by over 1 per cent to £135m. The group were nearly £4m. higher at year end, while investment income came increased by 18 per cent to £130m. Claims and expenses to £11m. higher.

The Fire Society had a successful year, reports Mr. Longe, with record pre-tax profit of nearly £27m. and an underwrite profit of £5.5m. compared with nearly £5m. in 1976. The portfolio, which now accounts for 80 per cent of the total income achieved a growth rate of 31 per cent. A dividend of nearly £1m. was paid to the Life Society shareholders at the AGM. Mr. Longe reports that the motor account has run satisfactorily with an underwriting profit of nearly £5m. The U.K. account was also satisfactory although losses in November and December were exceptionally high. Burglary and theft portfolios had been adversely affected by the rising crime rate but the number of subsid claims last year had fallen to the 1976 level. The investor Norwich Winterthur shows a satisfactory return of 22.8m. tax against £2.7m. in 1976. Although last year was not generally for banking, Mr. Longe reports satisfactory progress in this side with profits after tax up to £2.2m. from £2m. in 1976.

Vosper spending starts in Singapore

WITH TWO of its major subsidiaries having been nationalised, the directors of Vosper intend to rebuild the group in the U.K. and overseas. They are currently studying various proposals, and existing resources will permit them to proceed with suitable opportunities as they arise. However, any major development will depend on the amount of compensation finally received, says Sir David Brown, chairman.

He states that he is still unable to give any comfort to holders on the likely outcome of the negotiations for determining compensation. It is pointed out, however, that the net assets of the British Shipbuilders on July 1, 1977 amounted to £25m., on which the company had been earning a return "considerably" higher than the average for British industry.

In the report the auditors say they are unable to express an opinion on the value placed on the nationalised interests or on the total amount of compensation. The directors express the opinion that the value is "very substantially" in excess of the book value of £10.05m. and in March Mr. Ken Ford, financial director, suggested a fair figure would be between £25m. and £30m.

Commenting on Vosper's Singapore subsidiary, Sir David says the company had a very satisfactory year in 1977 with profits substantially higher than those of previous years, in order that they may be in a position to meet potential world market requirements for improving and developing facilities in Singapore and plan to spend in the order of £515m. (some £4m.) over the next five or six years.

With turnover 9.5 per cent higher at £3.87m, pre-tax profit of £1.1m. Industrial investment jumped 34 per cent from £232,000 to a record £310,000 in 1977. Attributable profit was £215,000 after tax of £207,000. Last year there was an extraordinary debit of £28,000. Mr. Michael Stoop, the chairman, says the new year started promisingly and the directors are budgeting for high sales and profits in 1978.

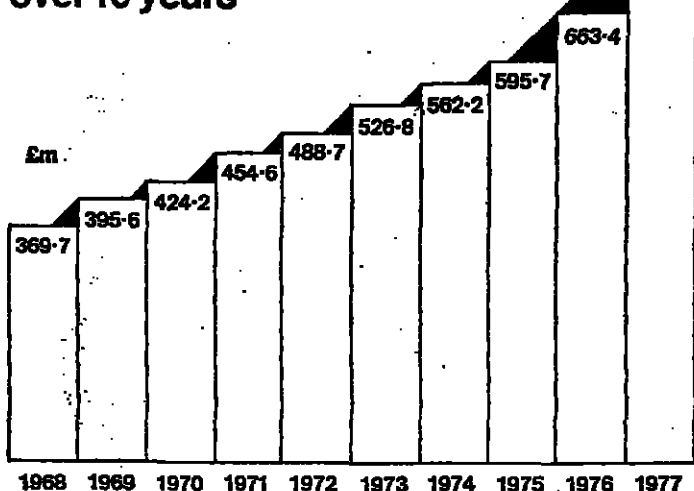
He says the 1977 results created a sound base for expansion and that the four centres of the company can be expected to develop their business strongly in coming years. He also said the company will develop its management and to overcome the various difficulties which all manufacturing companies face.

Earnings per 25p share are shown ahead in 1978. A final dividend of 1.8p net (total 2.5p) for the year to 2.5p, maximum permitted, compared with 2.33p last time. Rights the dividend have been waived over for the year to October 31, 1978.

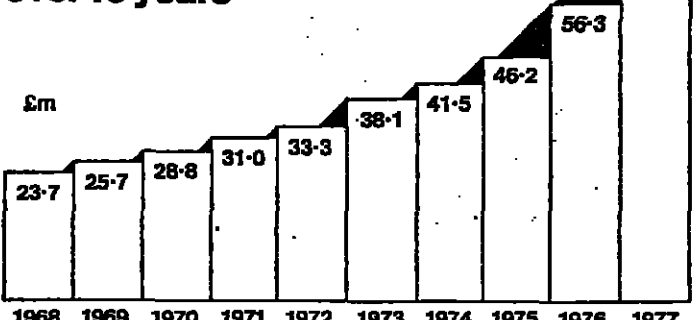
Successfully protecting the interests of shareholders, policyholders and employees.

Results for the year 1977	1977	1976
	£m	£m
Premium Income	135.4	107.5
Investment Income	68.0	56.3
Total Funds (including reserves)	765.2	663.4
Payments to Policyholders	74.1	69.0
Dividends per 5p share	4.72p	4.29p

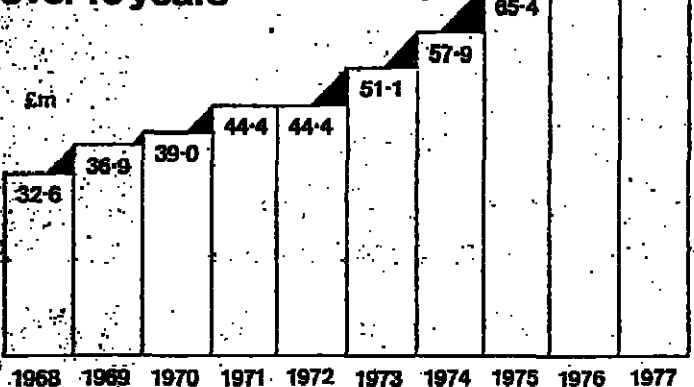
Total Funds over 10 years



Investment Income over 10 years



Payments to policyholders over 10 years



Comments from the Chairman, P.G. Walker

1977

"confidence has been amply justified"

Predictions made in 1976 were borne out in 1977. Persistent high levels of inflation, wage restraint, and restricted pension arrangements resulted in a lower level of new renewable premiums.

However, there was a considerable increase in single premium contracts, and the Group's overall new premium income rose by £12.3m.

Investment

"the year was satisfactory"

Investment income rose by almost 21% to £68.0m. The Group took advantage of the high interest rates, investing over £85m in quoted fixed interest securities, and £12m in ordinary shares.

Almost all the properties of Artagen Properties Limited, which we took over last year, have been transferred into the Group's long-term business funds, making considerable savings in tax.

Funds

"well in advance of any achieved previously"

Total funds increased by 15% to £765.2m. Income exceeded outgo by over £100m, a record for the Group, and premium income was virtually double that of four years ago.

Subsidiary Companies

"cause for satisfaction"

Solar Life Assurance Limited attracted £3.5m worth of premium income in its first 11 months, most of which was in single premiums.

The funds of Sun Life Pensions Management Limited now total £33.7m, and the company paid its first dividend into the Society's proprietors' fund.

New Policies

"We have expanded our market research and contract development work"

We continue to develop the range of our policies to meet researched public needs. Last summer we introduced a new group pension on

a deposit administration basis. It has proved very popular, as has the recent 'Cash and Cover' scheme, designed to provide tax-free benefits which are not available under the State Pension Scheme.

British Insurance Brokers' Association & Insurance Brokers Registration Council

"Two developments of importance"

We welcome the formation of these two bodies. The requirement that registered insurance brokers must conform to minimum standards of knowledge, experience and financial standing, should be to the benefit of the public.

Finance Act 1976 & Social Security Pensions Act 1975

"a considerable amount of work"

Much of our administrative effort is dominated by the need to put legislative measures into effect and to ensure our clients are fully informed as to how these measures may affect them. We joined the CBI to support efforts to combat and reduce the amount of legislative and executive interference which is adding greatly to costs and hampering productive effort.

Administration

"a loyal and hard-working staff"

The move of our Chief Office administration to Bristol has almost been completed, thanks to all those involved.

It has not been an easy year for us in the life and pensions industry, with incomes restricted by the Pay Policy and affected by inflation, but the Group is exceptionally fortunate in the quality of its staff.

The Future

"new business prospects for 1978 look bright"

The industry will benefit from the removal of restrictions on pension improvements and the outlook for Sun Life is exceptionally good. Renewable premium income from policies for directors and the self-employed should both increase.

If you would like to receive a copy of the Annual Report for 1977 and are not a shareholder, please complete the coupon and return to the address below—no stamp is required.

(BLOCK CAPITALS PLEASE)

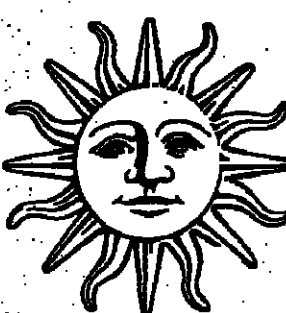
Name _____

Address _____

مكاتب التأمين

Sun Life Assurance Society Limited,
Freepost, Sun Life Court,
St. James Barton, Bristol BS1 3YX

SUN LIFE ASSURANCE



مركز النجف

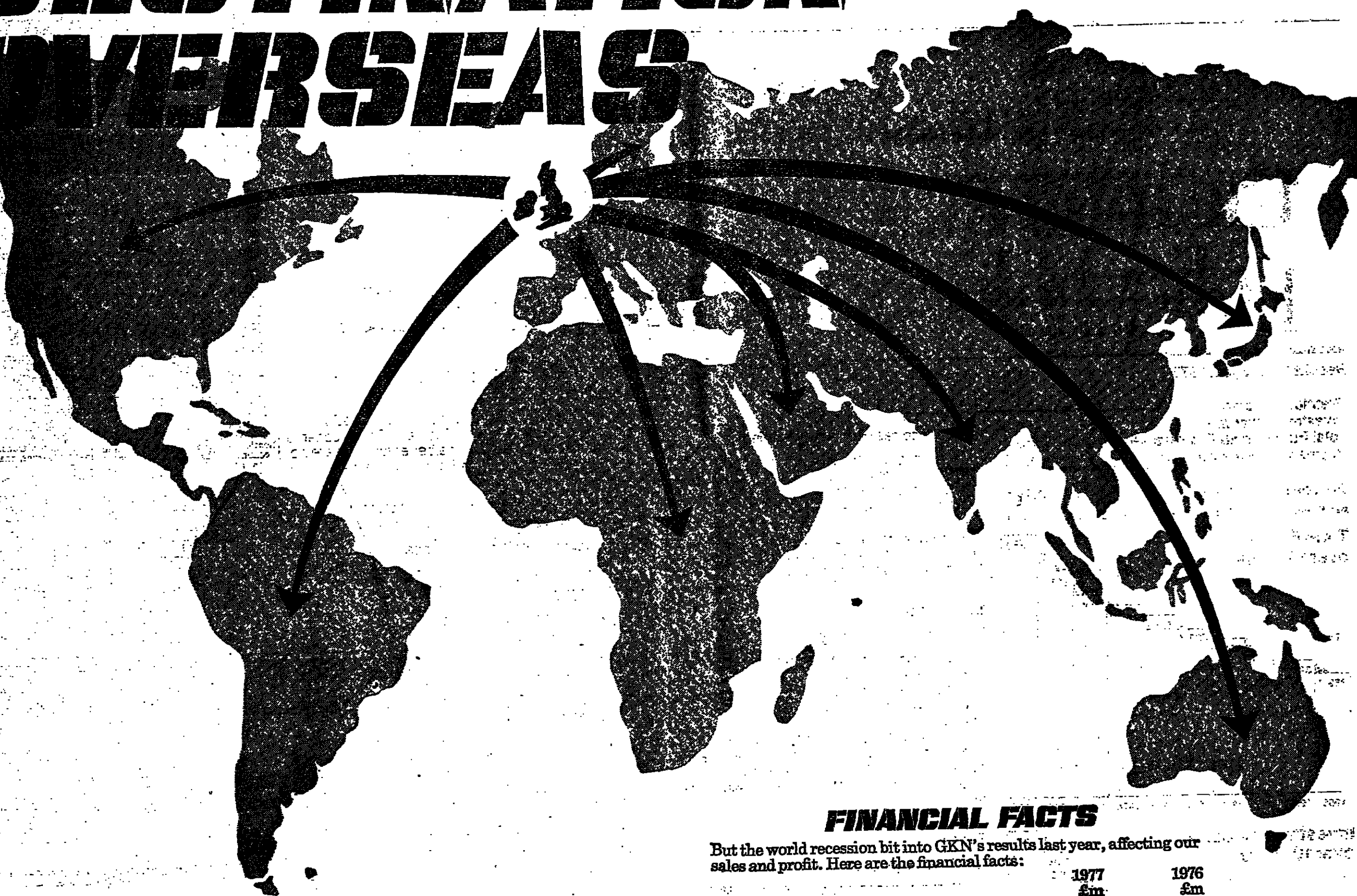
GKN is one of the world's largest engineering groups. We employ 107,000 people and in 1977 our sales were £1,639 million. The biggest proportion of our sales is in vehicle components, last year worth £740 million — 40% of our total sales.

For instance, we made over 10 million connecting rods, 2 million crankshafts, 8 million wheels, 14 million constant velocity joints, 10 million universal joints, 4.5 million propeller shafts and 250,000 axles.

We also produce steel laminations, wire and ropes, aluminium extrusions, furnaces, filters, flooring, billions of industrial fasteners and wire nails, and many other products.

In all, we process over 2 million tonnes of steel a year. Many of our products have worldwide significance with a large proportion of our output having a ...

DESTINATION OVERSEAS



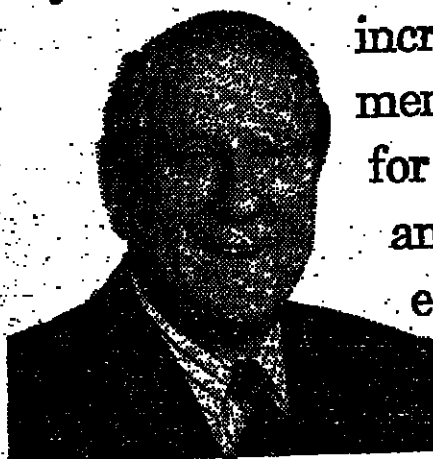
FINANCIAL FACTS

But the world recession bit into GKN's results last year, affecting our sales and profit. Here are the financial facts:

	1977 £m	1976 £m
Turnover	1639.2	1501.2
Profit before tax	72.3	97.7
Dividends	23.5	15.7
Earnings per share		
— on earnings of the year	24.9p	44.1p
Dividend per share (including tax credit)	23.5826p	18.7167p

WORLDWIDE SIGNIFICANCE

"Our total UK export sales, including those where a purchaser buys for onward sale abroad, rose to £203 million, representing an increase of 24% over 1976 and a notable achievement. In addition, we earned £36 million overseas for contracting services and the sale of know-how and technical aid. Our indirect exports were estimated at £330 million. Our increase in sales to North America, our largest export market, from £24 million to £39 million, was most encouraging and we have strong hopes for future growth in that area."



Barrie Heath

Barrie Heath
Chairman

Extract from the annual statement to shareholders

GUEST KEEN AND NETTLEFOLDS LTD

If you would like a copy of the 1977 Annual Report please write to:
Guest Keen and Nettlefolds Limited, Group Headquarters:
PO Box 55, Smethwick, Warley, West Midlands B66 2RZ
Tel: 021-558 3131 Telex: 336321
or GKN House, 22 Kingsway, London WC2B 6LG
Tel: 01-242 1616 Telex: 24911



VOSPER LIMITED

Financial results for the year to 31st October 1977

	1977 £'000	1976 £'000
Turnover (See 1 below)	80,607	98,495
Trading Profit Total (See 1 below)	7,873	
Trading Profit Vosper Group	1,287	7,434
Profit before Tax	2,189	6,265
Profit after Tax	1,586	3,218
Revaluation of Investments	790	239
Retained Profit added to Reserves	2,097	3,205
Earnings per Share	26.33p	53.35p
Dividend per Share	4.65p	4.13p

Salient points from the Report and Accounts

1. Turnover and Trading Profit Total for 1977 include results of Nationalised Companies for 8 months to 30th June, 1977.
2. Subsidiaries with Net Assets of £25 million were nationalised on 1st July, 1977.
3. The Government has promised to pay fair compensation. A payment on account of only £650,000 was announced on 21st April, 1978 but negotiations have not yet commenced.
4. Growth in overseas earnings continues.
5. Retained Profit for future development exceeds £2 million.

DB A SUBSIDIARY OF DAVID BROWN HOLDINGS LIMITED

Occidental International Finance N.V.

8½% GUARANTEED NOTES DUE 1983

EXCHANGE OF NOTES

Please be advised that the Temporary Notes issued on January 15, 1978 may be exchanged in accordance with the terms of the Indenture, for Definitive Notes on or after June 2, 1978.

After this date the Temporary Notes will cease to be accepted by Euroclear or CedeL as good delivery.

The exchange of the Notes will take place at the office of the Trustee.

TRUSTEE:

The Northern Trust Company

38 Lombard Street
London EC3V 9BR, England

Tarmac rise to £24m.

DESPITE a \$8.57m trading loss from overseas operations and excluding the £16m of provisions and losses from its Nigerian operations, taxable profit of Tarmac rose from £23.5m to £24.16m in 1977 on turnover ahead to £663.52m from £221.13m.

A below the line debit of £16m for losses and provisions in respect of Cubitts Nigeria has been covered by a £16m transfer from reserves.

At half-time, when profit was up from \$9.24m to \$9.97m, it was suggested that £12m would be reserved for Cubitts, but the company's activities are now being reduced in scope and size and since then no major contractual or other settlement has been reached.

Mr. Robin Martin, the chairman, says he does not want to give the impression that there is no likelihood of improvement.

Most of the £16m represents losses in connection with two contracts entered into prior to the acquisition of Holland, Hannen and Cubitts on September 1, 1976 from Drake and Scull. Tarmac and Drake are in litigation.

Directors of Tarmac consider that it is now apparent that very substantial losses were inevitable from the time of commitment of these contracts and that no ascertainable part of the total could be attributed to the period subsequent to acquisition.

Mr. M. Abbott the chairman of Drake and Scull says the losses incurred by Cubitts Nigeria in no way alters or weakens the position of Drake in the legal dispute with Tarmac.

"Tarmac's lawyers have approached Drake and Scull's lawyers yesterday to suggest that discussions be resumed with a view to reaching a settlement."

"Drake and Scull has responded positively to this approach on the stated understanding that such discussions will lead to further money being paid to Drake and Scull in respect of the sale of Holland Hannen and Cubitts to Tarmac."

Elsewhere in 1977, the U.K. trading profit rose 19 per cent to £20m, reflecting good performance from every major division. The properties division also showed a turnaround to a useful profit.

The international division results were badly affected by losses on two projects in the Middle East, both now complete, and the quarry products division's excellent U.K. results were reduced by a serious £2.4m loss in West Germany.

For the future, Mr. Martin says

that trading has suffered from the poor 1977-78 winter weather, but he believes that U.K. trading for the remainder of the year will be satisfactory with the quarry products, housing and properties divisions showing larger profits.

Overseas, Tarmac will have to improve its performance, but German and French trading will remain a matter of concern.

Despite the drain on resources caused by the Nigerian problems—net assets were cut from £149.46m to £129.6m, with short-term debt £17.9m, higher at £14.72m—the total dividend is lifted from 8.778p net per 50p share to 9.804p with a final of 8.224p.

	1977	1976
Turnover	80,607	98,495
Profit	7,873	
Interest	4,925	2,445
Exceptional loss	24,362	22,382
Tax	12,338	12,332
Net profit	11,629	9,970
To minorities	1,438	776
Extraordinary loss	1,438	776
Losses and provisions	16,000	16,000
Retained reserves	10,091	8,997
Attributable	11	11
Profit	10,080	8,976
Attributable to Ord.		
Ord. dividends	1,958	1,978
Final	4,267	5,043
Retained		
* Profit: 1 in respect of Cubitts Nigeria.		

£1.48m. at Flight Refuelling

AFTER BEING ahead at the halfway stage from £430,000 to £560,000, Flight Refuelling (Holdings) advanced in the latter half and finished 1977 with record taxable profits of £1.48m, against £0.98m, last time. At six months the directors said that the upward trend in turnover and profits would continue during the second half. Turnover for the year was ahead from £5.78m to £10.74m.

Stated earnings per 25p share are 12.54p (8.23p) and the dividend is lifted to 2.53p (2.58p) with a net final of 1.73p.

Tax for the year took £779,144 compared with £511,490 and the attributable profit came out at £702,121 against £460,999. For 1976 there was a £40,000 transfer to capital redemption fund. The amount retained this year was £540,840 (£277,973).

The group manufactures specialised equipment for the aircraft, nuclear and electronics industries.

London Brick chief cautiously optimistic

EXPRESSING cautious optimism for the current year at London Brick, chairman, reports that brick deliveries to date have shown a marked improvement over the corresponding period. While the rate of increase is unlikely to be maintained, he indicates that housing starts will be higher in 1978 than they were in 1977.

The company has held its prices since August last year but Sir Ronald states that a review will be necessary early in this year.

As reported on April 7, taxable profit for 1977 improved from £10.52m to £12.17m, after strong earnings growth in the second six months which reversed a mid-term decline.

In spite of a decline in demand production was maintained throughout the year. The result was abnormally high stocks, which by the end of the year represented over six weeks' production. The decision not to cut output reflected the directors' confidence in the longer term improvement in demand, says Sir Ronald.

A notable feature of the year was that for the first time turnover from activities other than clay products reached 30 per cent—evidence of the company's broadening base of activities. A breakdown of divisional turnover (in percentages) and trading profit (£12.82m) shows: clay 70 and £10.54m; other products 28 and £1.55m; other products 28 and £1.55m; other products 28 and £1.55m.

The increasing activity that the company has in overseas markets was again reflected in the value of goods exported which amounted to £4.27m (£1.5m). The joint venture in Iran progressed well and a further joint venture

has been established in Nigeria; a country which, Sir Ronald tells members, has enormous demand for the products to be produced. The company has been successful in tendering to the GLC for two large domestic waste contracts. The first of these is "The London Rail Transfer Scheme" and the second is for the reception and disposal of domestic waste from Hillingdon.

On a current cost basis, trading profit before interest and tax (£12.82m, historic) was £8.97m, after deducting depreciation of £2.01m, and £1.64m, for cost of sales. Profit before tax was £9.98m, after a £468,000 gearing adjustment.

A statement of source and application of funds shows a £3.32m (£0.2m) increase in creditors and a £8.86m, decrease (£3.76m, increase) in cash balances. Working capital decreased by £2.90m, compared with a £6.38m, increase.

Meeting, Connaught Rooms, W.C., on May 25, at noon.

A difficult year ahead

BY RICHARD LAMBERT

Guest Keen and Nettifolds is looking for a substantial increase in its North American business in the next few years. But its annual report, published today, shows that trading conditions for the group as a whole are again proving difficult in 1977. It also emphasises GKN's disappointment with the recent decision of the West German Supreme Court against its acquisition of a controlling interest in Sachs AG.

In North America, a new factory producing constant velocity joints for front wheel drive cars is scheduled to be in operation by late 1978. Together with its associated plant and working capital requirements, it will cost about £50m, and be capable of producing equipment for 400,000 vehicles a year.

This will transform the scale of the group's operations in America, where sales last year totalled just £22m. And it will come at a time when demand for constant velocity joints will be shooting up as a result of a major switch to front-wheel drive in the U.S.

GKN expects that more than 50 per cent of U.S. cars produced in 1985 will have front wheel drive, against only about 10 per cent now. It plans to supplement its U.S. production with joints produced by its European plants, which are currently producing very roughly 3m. car sets a year. In 1977, exports to North America rose from £24m to £28m.

"This is an area of real growth in our company," chairman Mr. Barrie Heath said at a Press conference this week. "And it is one that one of our major strengths for the future."

In the shorter term, however, there are signs of some fall off in the overseas automotive component companies after their substantial growth in recent years. GKN thinks that overall car production on the Continent will be

marginally lower this year, and truck production in France and Germany could drop by 6 or 7 per cent. It is also less optimistic than some about the likely level of car production in the U.K. this year, which it puts at 1.4m units against 1.338m in 1977.

At the same time, the group's primary metal production businesses remain in the trough of a recession. According to the chairman's statement: "Any slight improvement in trading is liable to be seen as a forerunner to a return to boom conditions, but given the existing level of excess capacity, this is unlikely for some time."

Last year's problems were compounded by commissioning costs at the new rod mill in Cardiff. These are now being overcome and work is proceeding on schedule on a £47.5m development at the Rhydyfelin works, planned for commissioning in August, 1978.

While the steel side remains flat, GKN is now sounding more optimistic about its wholesale and industrial distribution interests, which include steel stockpiling. Profits last year were heavily squeezed by overstocking and competition from low cost imports. The position has improved as a result of Government action on a national and international level, and GKN says there has also been a perceptible return in its other distribution companies.

GKN's other major business grouping lies in general and civil engineering products and services. This side accounts for as much as 35 per cent of capital employed, but last year it produced profits of only £14m, on sales of £485m.

Industrial customers' most increased competition from areas of low cost production; difficult trading conditions for welding equipment and consumables persisted throughout the year; and the U.K. and foreign steel produced 8.5m tonnes more in their 1977 figures. The foundations for steel and scaffolding operations did

ment and there was a real amount of local authority maturing in official hands. Day to day credit appeared to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.

Bank of England Minimum Lending Rate 11 per cent. (since April 11, 1978)

Interest rates continued to be in short supply and the Discount houses paid around 10 per cent for secured call money at the start and closing balance of the year. A small but significant amount of local authority bills, 5 per cent, and a per cent, in the interbank market. A night loans opened at 7-7½ per cent, and ended to 6½-7 per cent, after firming to 6 per cent, rates fell to close at 6 per cent.

Rates in the table below nominal in some cases.</



Certified Accountants

At the 73rd Annual General Meeting of the Association, held in London at its new headquarters building in Lincoln's Inn Fields, on 26th April, the retiring President, Mr. E. F. Pocock in introducing the Annual Report and Accounts, said that in 1977 the Association had continued to break almost all its own previous records—membership now stood at some 19,000 and the financial surplus for the year of nearly £900,000 was the largest ever.

With the freehold purchase of its new building, the need for such large surpluses was now past, and it would be devoting more resources and energies in future to its other plans.

These plans include efforts to persuade the other five Chartered accountancy bodies in the U.K. to work more closely and economically together.

At a time when the profession urgently needed to respond quickly and effectively to various pressures, Mr. Pocock spoke with regret of the extra time, and cost, involved in its operating through 6 different councils.

He said that the Association was anxious to play its full part over the next few years, in rationalising this unsatisfactory state of affairs.

The Officers for the coming year will be:—
President—Mr. E. R. Gibbs (a public practice)
Deputy-President—Mr. A. A. Pakenham-Walsh
(Director, Graduate Course in Administration, University of Dublin)
Vice-President—Miss V. J. Di Palma (Tax Consultant)

The Association of Certified Accountants (Incorporated by Royal Charter), 29 Lincoln's Inn Fields, London WC2A 3SS Telephone 01-262 6533

Grounds for optimism at Midland News

SOME of the difficulties encountered by Midland News Association in 1977 will have repercussions in the current year. Even so there are grounds for optimism within the group says Mr. Malcolm Graham, the chairman, and he is confident that opportunities will be provided for further growth and expansion in the future.

If sterling remains firm it is expected that newspaper prices will remain steady in 1978 he points out. While sales of the group's evening newspapers increase it becomes ever more difficult to maintain the circulation of the weeklies serving the same areas he says. Some weeklies were able to show a small advance in sales in 1977 but the aggregate is down.

Though the company's newspapers did not suffer from lost sales through industrial action as seen elsewhere, the ready co-operation of the staff to introduce new methods of operation was affected by protracted negotiations. The complete changeover to photocomposition of the Express and Star was not made until January of this year due to unforeseen technical difficulties and plans for improving its content were delayed by at least six months.

To-day all the group's weeklies and half the evening circulation are printed on web offset presses. The directors would like to print all its evening news on such machines but as they cost about £1m. each and three would be needed, the changeover will have to be delayed until resources are available, Mr. Graham says.

Total group external sales for the year were up at £26.58m. (£21.04m.) and pre-tax profit improved to £2.58m. (£1.68m.) as reported on April 14. The net dividend is lifted to 16.6p (14.35p) on the £1 non-voting ordinary and to 8.6325p (5.775p) on the 5p "A" Ordinary.

Bank borrowing at year end was down £910,000 (£631,000). Donations to charities totalled £13,991. Turnover and trading profit of £2.61m. (£1.7m.) was split as to newspaper publications £1.22m. (£1.26m.) and £1.39m. (£1.25m.) and retailing and other activities £12.72m. (£9.46m.) and £707,000 (£454,000).

At April 13, 1978, the Graham family and its trusts held 22.6 per cent. of equity and C. P. Holdings 35 per cent. Advertising volume for the year was marginally down but turnover from the chain of newsagents shops was up 29 per cent. and trading profit 34 per cent. higher. Twelve more outlets were added during the year bringing the total to 133 shops. The growth of the newsagents business has required the building of a new warehouse which, it is hoped, will open during 1978.

The investments made in computers in earlier years is starting to pay off and the directors are cautiously optimistic of a steady improvement in results from Press Computer Services.

S. Jerome liquidity

As the consideration for the two latest acquisitions was for cash, Mr. William Jerome, chairman of S. Jerome and Sons, points out that the group will be less liquid and cannot expect the

revenue received in the past from short-term investments.

At March 31, 1978, short-term investments were down to £515,000 compared with £1,09m. at December 31, 1977. This is revealed in a letter to holders giving full details of the acquisition of William White and Sons (Huddersfield). It also shows that in the same period bank overdrafts have been cut from £0.53m. to £0.17m.

Despite inflation, the problem of cheap imports of cloth and clothing and the fluctuations in the value of the pound the chairman feels cautiously optimistic about group prospects. The current year has started well with sales somewhat above last year.

In 1977 group pre-tax profits increased from £509,526 to £801,831 including £106,979 (£33,156) in respect of short-term investments. The dividend is raised from the equivalent of 2.77p to 3.0547p; a one for ten scrip issue is also proposed.

Record £0.8m. for Border Breweries

On turnover up from £9.5m. to £11.42m., pre-tax profit of Border Breweries (Wrexham) increased from £288,250 to a record £309,825 in the February 28, 1978 year.

At half-time profit was £59,000 higher at £495,000, and a further satisfactory increase in profits was forecast.

The result is subject to tax of £414,689 (£370,061). The dividend is up from 3.157p net per 25p share to 3.503p with a 2.543p final.

Not easy for Chamberlain to maintain profits

ALTHOUGH TOTAL orders received in the first three months of 1978 at Chamberlain Group are ahead of the same period last year, they are still not up to what the group would like to see, Mr. L. F. Chamberlain, the chairman, says in his annual review. He says it would be unwise for him to give any firm forecast for the outcome of the current year.

"We shall have a difficult task to maintain the profitability of the past two years, but will be assisted if we are successful in our efforts to widen the scope of the group's activities and to enlarge the geographical spread of orders."

Mr. Chamberlain does not see any signs of a significant upturn in the U.K. construction industry in the immediate future, but overseas markets have proved more successful.

On the hydraulics side, he is confident that in future years the group will see the benefits if its capital investment in re-equipping its Leyton operations.

The response from customers to its new range of geared and braked Staffa hydraulic motors has been encouraging and further additions will be made to the range this year and next.

Chamberlain Industries is continuing to reinforce its research and development programme.

Pre-tax profit last year rose from £1.96m. to £2.01m. A current cost statement shows this reduced to £1.42m. (£1.62m.) by additional depreciation of £142,000 (£120,000), a £346,000 (£171,000) cost of sales adjustment and a £101,000 (£51,000) gearing adjustment.

In the year there was a £1.37m. (£37,000) increase in net cash and bank balances. At balance date working capital and cash and bank balances were £2.55m. (£2.12m.) and fixed assets £4.95m. (£4.31m.).

Meeting, The Dorchester, May 12 at noon.

Norman Hay tops £0.5m.

TURNOVER for 1977 of Norman Hay, a "close" company operating as electro-plating engineers, expanded from £2.51m. to £3.54m. and profits rose from £345,000 to a record £534,000 after £218,000, against £170,000, for the first half. With tax taking £277,000 (£170,000), full-year earnings are shown to be ahead from 4.4p to 6.4p per 10p share, and the dividend is stepped up from 1.835p to 3p net, with a final of 2p. Mr. N. L. Hay, the chairman, waived his interim dividend on 614,000 shares.

Johnson Group planning expansion

Trading so far in the current year at Johnson Group Cleaners has been buoyant and, given a reasonable economic climate, the company is in a position to produce satisfactory results, Mr. J. L. Crockett, the chairman, tells members.

Plans are already in hand to expand the Zerry business by the introduction of Apparelmaster and Candy towel hire

service, he says. Zerry, which operates retail dry cleaners in Humberstone and East Yorkshire, was acquired in January 1977, of which £90,000 was satisfied by the issue of shares and the balance in cash.

Sales in 1977 rose 13.9 per cent. to £30.27m. (£17.04m.) and taxable profit advanced to £3.08m. (£1.39m.) as reported March 17. The net dividend is raised to 3.891p (3.4839p).

The improvement in earnings was attributable in part to steady growth in the company's workwear and towel hire trade, but mainly to a good increase by the retail drycleaning division, the chairman says.

The rate of investment was maintained at a high level during the year and the group has facilities to meet the continuation of this programme, Mr. Crockett says. At year end net liquid funds were down £295,000 (£1.05m.) with bank overdrafts higher at £1.06m. (£732,986).

Capital spending contracted amounted to £350,779 (£284,718) and no further spending had been authorised, compared with £51,000 last time.

Meeting, Great Eastern Hotel, EC, on May 18 at noon.

F. HEWITT

News Holdings, a wholly owned subsidiary of Associated Newspapers Group, has agreed to offer 64p cash for all the 8 per cent. (now 5.6 per cent. plus tax credit) Preference shares and 145p cash for all the 10 per cent. (now 7 per cent. plus tax credit) Preferred Ordinary shares of F. Hewitt and Son (1927) other than those already held.

The Board of Hewitt considers the terms fair and reasonable and recommends shareholders to accept.

NORTH ATLANTIC SECURITIES CORPORATION LIMITED

Interim Financial Statement for the six months ended 31st March, 1978.

(Audited) Year ended 30th September 1977	(Unaudited) Six months ended 31st March 1978	(Unaudited) Six months ended 31st March 1977
£	£	£
1,131,976	Gross revenue	532,830
310,875	Less: Expenses and Interest	188,583
	Net revenue before taxation	344,147
380,801	Less: Taxation	123,116
318,509		
802,382		221,051
471,420	Less: Interim Dividend	209,520
	NET REVENUE RETAINED	21,531
		224,079
2.7p	Dividend on Ordinary Shares payable 22nd May, 1978	1.2p
per share		1.9p
for the year		per share

†Net Asset Value per Ordinary Share at end of period

‡Net Asset Value per Ordinary Share assuming full conversion of Convertible Loan Stock

*Revenue figures are not comparable due to a dollar loan of U.S.\$2.3m. raised in August, 1977.

†The Net Asset Value includes the investment currency premium which at 31st March, 1978 was equivalent to 16p per Ordinary Share (31st March, 1977—20p per share, 30th September, 1977—11p per share).

The increase in the interim dividend is for the purpose of reflecting the disparity between the interim and final dividends.

No provision has been made for any liability to tax on capital gains which may arise in the future on realisation of investments.

Wolstenholme BRONZE POWDERS LIMITED

Results for the year ended 31st December	1977	1976
Profit before tax	£200	£200
Taxation	1,402	1,174
Profit after tax	725	594
Profit after tax	677	580
Total dividend	31.266%	28.239%

■ The 20 per cent. increase in profit shows real growth in that not only did it outstrip inflation for the first time in some years, but it was achieved in spite of a rather weak demand for the company's traditional product, bronze powders. Profit gains in the subsidiary companies were considerable.

■ The major development for the group in 1977 was the acquisition of Charles Openshaw & Sons (Manchester) Limited. The pre-tax profit of that company in 1977 was £337,293 but only pre-tax profits of £25,118 have been included in the consolidated results, being the amount earned after the date of acquisition.

■ The current year has started with a modest increase in the order level for bronze powders. All the subsidiary companies are selling more than they did in the comparable period last year. In addition 1978 will have the benefit of a full year's contribution from Charles Openshaw, which in itself should show a good surplus over the financing costs. With these points in mind the directors feel confident that the company should see satisfactory progress in 1978.

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—Send a donation today to: Room F.1, The Multiple Sclerosis Society of G.B. and N.I., 4 Tachbrook Street, London SW1 2ST



Successful commercial property investment is built on sound advice.

To achieve the highest possible performance from a property portfolio, there is no substitute for sound advice.

Strutt and Parker have nearly 100 years in successful property investment and management. Our broad network of branch offices has built a reputation for integrity

and close supervision of our clients' interests.

This expertise in property selection, management and sales can be your foundation for successful investment. Contact: M. C. Harris, FRICS, for further information.

13 Hill Street, London W1X 8DL. 01-629 7282

Strutt & Parker

A foundation of sound experience

LONDON • EDINBURGH • CANTERBURY • CHELMSFORD • CHELTENHAM • CHESHIRE • GRANTHAM • HARROGATE • IPSWICH • LEWES • SALISBURY • SOUTHEND

BIDS AND DEALS

Full offer for KCA

BY CHRISTINE MOIR

Berry Wiggins, the oil services company now called KCA International, which was rescued from critical financial problems last November by Mr. Harry Ward, a Texas oil millionaire, is now the target of a full scale bid from the state bank.

In November Mr. Ward acquired a 24 per cent stake in Berry in return for buying the oil rigs and equipment related to a disastrous loss-making contract in Algeria, on which Berry owed £21.6m. to Manufacturers Hanover Trust. Mr. Ward's price covered that loan.

Now Mr. Ward has come back with an offer for the rest of the company's capital, a move, which if it succeeds will return it to the state of private companies.

The terms are 25p for each ordinary share which compares with a market price of 25p just before the announcement. Afterwards the shares rose 2p, but later closed at 30p. This puts a value on KCA of £7.7m. Elm, less than in November when Mr. Ward paid 33p per share for his quarter interest.

Yesterday Mr. Paul Bristol, KCA's chairman, reserved his attitude towards the bid until the Board had discussed it with its financial advisers, James Finlay and Kitchin and Aitken. He did say, though, that he had been very impressed with Mr. Ward since he had first approached the company and the working relation between them had been excellent.

The other major shareholders are the Prudential, which owns just over 5 per cent of the shares, and Electricity Supply Nominees with under 4 per cent.

Mr. Bristol confirmed that a bid would also be coming for the

preference shares, where major institutions hold the bulk, but no terms had yet been received.

MARLER AGREES TAKEOVER

A complex off-shore takeover deal for Marler Estates means that the group will retain its public quotation and be revamped under a "young professional management."

Blade Investments, an Isle of Man registered client of the merchant bankers Lazard Brothers has contracted to buy Marler family holdings totalling 62.15 per cent of the group. But it is also making a general offer for Marler worth 25p each to minority holders. Acceptances for its general offer will be made up to an initial 30 per cent stake by drawing upon the Marler family's contracted stock, the balance of that stock will be acquired in October. Marler directors, including the chairman and managing director Mr. Leslie Marler, plan to retain an 11.73 per cent shareholding in the group.

In October, when Blade will have up to 88 per cent of the group, depending upon public acceptance, the owners plan either a placing of shares or an increase in capital that will take its direct shareholding down to between 30 and 40 per cent.

Blade is to buy the whole £100,000 issue of Marler's 71 per cent Convertible Unsecured Loan Stock, 1980 at par. Blade plans to appoint three new directors, including a new chief executive. And Marler director Mr. D. Russell said yesterday that potential new directors have been chosen. As their companies have yet to be told, he is unwilling to release names at this stage.

Mr. Russell says that Marler, which has been approached many times in recent years, does not know exactly who owns Blade. The group takes Lazard's nomination of Blade as sufficient recommendation.

Marler's shares, suspended on Monday at 21p, returned to the market at 27p yesterday.

ILLINGWORTH MORRIS

Illingworth Morris has sold its 2,033,600 shares in British Mohair Spinners at 43p per share for a net consideration of £870,000. The shares were acquired by a spread of investing institutions.

In accordance with stated policy, the proceeds will be used to improve liquidity, said a spokesman for Illingworth. The shares had been rising recently presenting a good opportunity to sell, he said.

A short while previously, Illingworth also sold 266,500 Ordinary shares and 42,800 Preference shares in Yorkshire Fine Woollen Spinners for total consideration of £190,000.

These sales do not necessarily mean that other stakes are about to be sold, the spokesman said.

TALBEX/WARREN

Talbex Group has received acceptance of its offer for James Warren and Co. in respect of 1,363,134 Ordinary shares (91.82 per cent), and in respect of its offer for the Preference shares capital, for 133,905 4.5 per cent Cumulative Preference shares of Warren (99 per cent). It is the intention of Talbex to acquire compulsorily the outstanding Ordinary and Preference shares. Offers remain open.

Carlton deal 'good sense'

London Merchant Securities' Ordinary shares took a tumble yesterday falling 7p to 86p following the announcement that the group is selling a major share of its 52 per cent stake in Carlton Industries to Hawker Siddeley.

By comparison Carlton shares improved 10p on the overnight suspension price of 170p compared with Hawker's offer price of 165p. Lord Rayne chairman of LMS stressed yesterday that the deal made good sense for his company. He said that although pre-tax profits would suffer—Carlton probably provided all LMS's £6.1m. pre-tax profits in 1976/77—there would be sharp improvement at the distributable level.

He said that LMS had only taken dividends from its investment in Carlton, where the prospective gross yield on the sale price of 165p was around 5 1/2 per cent. "Even if we used the cash to repay short term debt where the interest rate is well above the 5 1/2 per cent level we would see a better short term return," said Lord Rayne.

LMS plans radically to reduce its short term debt which accounts for about 20 per cent of the group's £10m. and £12m. The rest of the cash—and LMS is expecting to raise around £20m. by the deal—will be ploughed back into the group's other businesses which include property and North Sea oil interests.

A further factor behind the group's decision was apparently Lord Rayne's concern about the disproportionate market valuation of the Carlton interests, is reflected in the group's own share rating. He said yesterday that the market valuations Carlton accounted for around 60p of LMS's current price of 86p.

The deal will make a substantial improvement in liquidity and to asset per share value," he said. "And we shall retain a major minority holding in Carlton." Meanwhile the deal has aroused speculation about the future of Carlton's major stake in Invergordon, the whisky distillers and

Comben the housebuilders. Hawker yesterday declined to comment on whether it would favour an attempt to sell these investments.

FIFE FORGE PAYS LESS FOR FORSTER

The consideration paid for T. S. Forster and Sons by Fife Forge has been reduced by £12,000 to £388,000.

The price had been subject to a profit formula and Forster had made profits of only £101,405 in the relevant 10-month period compared with a forecast of £208,000.

Although disappointed with the result, Fife Forge still considers the acquisition attractive. The net purchase price should be seen in the context of Forster's net current assets of over £1m. at December 31, 1977.

COCKSLEDGE

Kleinwort Benson has purchased 289,500 shares of Cocksledge, approximately 21 per cent of the capital, for £275,000 (95p per share). The stake was bought for Kleinwort Benson's own account.

Cocksledge completed its financial year four weeks ago. At the interim stage its profits were up £170,000 at £236,000.

STANHOPE TALKS OFF

Stanhope General Investment says that as no definite offer has been received for the Ordinary and Preference shares of the company from the potential offeror who made the approach mentioned in the announcement of February 24, discussions have now been terminated.

DAVY BUYS UP TCR

Davy International has completed the purchase of the outstanding 20 per cent of the shares in Turner Chilled Rolls which Davy does not already own. The vendors have also sold to Davy the land and buildings at Ipswich at which TCR carries on its business.

Book value of the land and buildings at August 31, 1977, the last balance sheet date, was £220,000. Total consideration of £397,000 is being satisfied by the issue of 74,415 Davy shares and by £227,000 cash.

ICR is engaged in the manufacture of cast iron rolls for the food and animal feedstock industries. Davy acquired its 30 per cent stake in 1974.

ROBERT KITCHEN TAYLOR/RKT

Robert Kitchen Taylor, the knitwear manufacturers and textile merchant, is to make its long awaited bid for the remaining 24 1/2 per cent of RKT Textiles it does not already own.

RKT shares were suspended yesterday at 72p which was put a value of around £561,000 on the outstanding minority. RKT in last year earned pre-tax profits of almost £1m. on sales of £12.4m.

APPROACH MADE TO CASTINGS

Castings, the malleable iron-founders, has received an approach which may or may not lead to an offer being made for the company. A further announcement will be made as soon as possible.

PACTEL

PACTEL (PA Computers and Telecommunications), part of the PA International Group, has acquired for an undisclosed sum 60 per cent of Speakman Pascoe Consultants, a Hong Kong based computer consultancy.

NO PROBE

The Secretary of State for Prices and Consumer Protection has decided not to refer the proposed merger between Castlemead Properties and Property Investment and Finance to the Monopolies and Mergers Commission.

MINING NEWS

Peabody number by coal strike

BY PAUL CHEESBROUGH

THE FULL impact of the U.S. coal strike on corporate earnings became startlingly clear yesterday when Peabody Holding, the largest producer in the country, revealed a 1978 first quarter loss of \$67.6m. (\$37.2m.).

Peabody has more than 50 wholly owned subsidiaries operating coal mines spread across the U.S., but mainly concentrated in Illinois, Indiana and western Kentucky.

The coal strike lasted from December 6 to April 3, but did not cover the whole of the industry. The extent of Peabody's loss was disclosed by Newmont Mining, the diversified minerals group, which holds a 27.5 per cent stake. The loss sliced \$18.6m. from Newmont's first quarter earnings.

This resulted in Newmont losing \$11.0m. (\$8.1m.), which compares with net profits in the first three months of 1977 of \$2.9m. or 10 cents a share.

Newmont put together a consortium which bought Peabody from Kennecott Copper for \$12.5m. last year. Kennecott was required by the Federal Trade Commission to divest itself of Peabody for anti-trust reasons.

The other members of the consortium are Williams, which also holds 27.5 per cent, and Bozong with 15 per cent. Fluor Corporation with 10 per cent, and Equitable Life Assurance with 5 per cent.

After nine months of its financial year, net profits at

North Broken Hill, the Australian base metals and investment group, became slightly behind the pace of the 1976-77 year.

The group announced yesterday that net profits in the first months to March were \$11.1m. (\$7.2m.), making a cumulative total for the year to June of \$55.4m. (\$3.4m.), compared with \$54.5m. the first nine months of 1976-77.

The profit on mining operations in both periods was \$13.9m. the most recent three quarters of value of production was \$1.7m. higher than in the comparable period at \$53.2m., but costs were higher and this effectively cut the net profit by \$1.7m. The lowest net profit figure for the group came because run operations made a net loss of \$578,000 against a profit of \$580,000 and net interest income slipped to \$42.7m. from \$43.2m. The chief investment was in Alcoa of Australia as North BE shares in London yesterday were 100p.

MINING BRIEFS

40 weeks to Ore Treatment Results: 5.6% from 1.2% (tonnes) — 1,252,538 1,463 Average copper grade 1.24% 1.87 (tonnes) — 3,774 54.5 Grade of concentrate 26.2% 28.2 (tonnes) — 1,252,538 1,463 Concentrates Copper (tonnes) — 1,252,538 1,463 Gold (tonnes) — 1,252,538 1,463 Silver (tonnes) — 1,252,538 1,463 BISHOP JANTAR (HUNGARY) — Ore Treatment Results: 5.6% from 1.2% (tonnes) — 1,252,538 1,463 Average copper grade 1.24% 1.87 (tonnes) — 3,774 54.5 Grade of concentrate 26.2% 28.2 (tonnes) — 1,252,538 1,463 Concentrates Copper (tonnes) — 1,252,538 1,463 Gold (tonnes) — 1,252,538 1,463 Silver (tonnes) — 1,252,538 1,463

Earnings slip at North BE

After nine months of its financial year, net profits at

BP Australia helped by coal profits

BRITISH PETROLEUM of Australia earned more from coal than in 1977 when it began its petroleum activities, reports James Forth from Sydney.

Group earnings of the company, which is wholly owned by BP of the U.K., jumped from \$52.4m. in 1976 to \$117.9m. in 1977, but no dividend will be paid to the parent.

The result was reached after equity accounting for the 50 per cent interest in Clutha Developments purchased last year for \$15.6m.

BP directors pointed out that without Clutha's contribution—it is the third largest coal producer in Australia—group profit for the year would have been \$13.5m., still a substantial increase on the 1976 result of \$1.7m. but the \$11.1m. earned in 1975.

The results indicate a 1977 profit for the region of \$20m. for Clutha, which earned \$23.2m. in 1976.

BP's cash and cash equivalents at the end of the year were down \$66m. to \$412m., reflecting the payment of the first of three instalments on Clutha and the redemption of \$412m. of debenture stock.

Deposits of high grade iron ore have been discovered in the Kiblatz region of the North West Frontier province. In a statement, the Selangor, Pahang and Negri Sembilan and the resources of the region could be more than 100m. tonnes, reports from Kuching said.

Seeking to reduce dependence on U.S. coal suppliers and take advantage of competitive Australian pricing, Ciderbras, the Brazilian State steel agency is contemplating an offer from 1 Australian coal groups, writes Diana Smith from Rio de Janeiro.

The companies include Buchanan Borehole, Belsanti and Thies. Deals are expected to be concluded in the near future.

A 100m. cubic metres phosphate deposit has been found in southern Iran. The Phosphate Department announced that the deposit was owned by the Islamic Republic of Iran. The deposit will meet the chemical plant for the next 15 years.

ROUND-UP

Shareholders in Marvale, the Union Corporation gold mine in South Africa, are to receive a capital repayment of 25 cents (15.75p) per share. This reduces the share capital to 4.5m. shares of 25 cents each from 4.5m. shares of 50 cents each. The mine is in the break-up category.

Mr. Foxranda, who is a member of a Bolivian mining group, did not give other details, but said he expected the agreement to be finalised by June.

In another development, miners in Selangor State have expressed concern over the proposed merger of the Selangor, Pahang and Negri Sembilan and the resources of the region could be more than 100m. tonnes, reports from Kuching said.

Seeking to reduce dependence on U.S. coal suppliers and take advantage of competitive Australian pricing, Ciderbras, the Brazilian State steel agency is contemplating an offer from 1 Australian coal groups, writes Diana Smith from Rio de Janeiro.

The companies include Buchanan Borehole, Belsanti and Thies. Deals are expected to be concluded in the near future.

A 100m. cubic metres phosphate deposit has been found in southern Iran. The Phosphate Department announced that the deposit was owned by the Islamic Republic of Iran. The deposit will meet the chemical plant for the next 15 years.

Shareholders in Marvale, the Union Corporation gold mine in South Africa, are to receive a capital repayment of 25 cents (15.75p) per share. This reduces the share capital to 4.5m. shares of 25 cents each from 4.5m. shares of 50 cents each. The mine is in the break-up category.

Mr. Foxranda, who is a member of a Bolivian mining group, did not give other details, but said he expected the agreement to be finalised by June.

British Transport Docks Board

-further improvement in results

Salient points from statement by the Chairman, Sir Humphrey Browne:

- Profitability up—£29m. before interest and tax
- Return on capital 16.8%—further improvement in cash flow
- Imported petroleum, iron ore and coal down—general cargo services expanded
- Major contribution from stevedoring activities
- Further early repayment of capital debt—no borrowing from Government since 1972

Results year ended 31st December, 1977

	1977 £ million	1976 £ million
Gross revenue	110.5	99.1
Profit before interest	29.0	25.8
Return on capital	16.8%	15.5%
Net profit after replacement cost depreciation (based on movement in Retail Price Index) and interest before tax	15.2	12.3
Tax (a) payable (b) deferred	6.6 1.3	3.4 2.7
Net profit after tax	7.3	6.2

	1970	1971	1972	1973	1974	1975	1976	1977
Capital Investment financed Internally	% 24.3	52.7	67.0	100.0	100.0	100.0	100.0	100.0
Return on capital	% 3.5	5.6	6.1	7.6	7.8	8.0	15.5	16.8

Port Highlights

The port of Hull attracted 18 new cargo services during the year and a record 430,000 passengers passed through its Continental ferry terminals. Grimsby and Immingham handled 964,000 tonnes of steel exports—another record. Goole, too, enjoyed a successful year with over 4,500 ship movements.

Garston's trade rose by 16 per cent overall, with iron and steel imports doubled and Fleetwood raised its throughput to its highest level ever. Sillioth dealt with record cattle imports and Ayr handled its largest-ever ship, which brought timber from Canada.

Swansea handled more than 480,000 tonnes of steel and Port Talbot achieved record discharge rates for iron ore. Newport tea imports more than doubled and car exports rose by 60 per cent.

Barry increased its traffic significantly in 1977, and Cardiff established new trade links with South America and the Middle East.

During 1977 Southampton dealt with over 1/4 million container units and more than 100,000 new vehicles were exported or imported through the port. Plymouth set a record for tonnage handled at the port with a 12 per cent increase in trade.

King's Lynn and Lowestoft both dealt with their highest tonnages since the BTDB was established.

A copy of the Report and Accounts 1977 is available from the Secretary, British Transport Docks Board, Melbury House, Melbury Terrace, London NW1 6JY. Tel: 01-486 6621 Ext. 6261.

British Transport Docks Board
Britain's leading port authority



مكتبة الامم المتحدة

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Skogmo drops takeover

MINNEAPOLIS, April 27. GAMBLE-SKOGMO, the retail and mail group, is withdrawing its proposed bid to acquire Minnesota Title Financial Corporation which had offered \$30 a share cash for Minnesota Title's common stock.

The withdrawal followed the announcement that Old Republic International Corporation and Minnesota Title had reached a definitive agreement for a merger of the two companies.

Meanwhile, Skogmo had paid the Federal Maritime Commission \$50,000 to settle 14 or more alleged violations of the Shipping Act.

In a filing with the Securities and Exchange Commission the company said its Gamble-Skogmo Corporation unit obtained or attempted to obtain shipping rebates for Far Eastern imports that the Federal Commission contended were illegal.

Sears Roebuck

Sears Roebuck is "comfortable" with analysts' earnings projections of \$2.90 to \$2.95 a share for the year ending next January according to senior vice-president-finance Mr. Jack P. Kinnaman, reports Reuter from Chicago.

With price mark-downs lower in each successive month since January, Sears' earnings for the first quarter ending this month will not be down as much as the 20 per cent. decline in last year's fourth quarter. The company should also show a profit margin improvement in the fourth quarter and this year as a whole.

Bankers Trust deal

Bankers Trust of New York plans to increase its stake in Deutsche Unionbank GmbH from 75 to 100 per cent, reports Reuter from New York.

The remaining interest in the Frankfurt-based bank will be bought from Hessische Landesbank Girozentrale for between \$5m. and \$7.5m. Bankers Trust is to apply to the Federal Reserve Board for approval of the deal.

Citibank sale

Citibank, Citicorp's chief subsidiary, said it will record an after-tax profit of about \$20m. from the sale of a bank building in Paris, reports AP-DJ from New York.

The company will continue to occupy a substantial portion of the building until completion of a new facility. Citicorp declined to name the buyer of the building in Avenue des Champs Elysees—but said it was a major French insurance group.

Bendix pays \$87m. for minority stake in Asarco

BY STEWART FLEMING

BENDIX Corporation, a leading U.S. conglomerate with interests in the automotive, building and leisure industries, has completed the purchase for \$87m. of 3.9m. shares of Asarco, the largest U.S. custom smelter of non-ferrous metals.

Asarco has 26.7m. shares outstanding and with the purchase of the 3.9m. newly issued shares, plus previous share purchases and if it exercises an option to buy 478,000 Asarco shares from Crane Corporation, the Bendix holding in Asarco would rise to just under 20 per cent.

Under its agreement of April

seen by analysts as serving a variety of purposes. It provides Asarco with needed additional capital to develop its operations and it will also serve as an obstacle to any prospective takeover bidders.

Like many primary metals manufacturers Asarco's earnings have been under heavy pressure in recent quarters. In the final two quarters of last year the company incurred losses, and for the year as a whole, suffered a loss of \$28.5m. compared with a profit of \$42.3m. in 1976. The company's sales revenues totalled \$1bn. compared with \$1.1bn. The agreement with Bendix is

NEW YORK, April 27.

Asarco's stock until early 1985. Asarco's stock has been depressed by the general malaise in the non-ferrous metals business and rumours of a takeover attempt have circulated.

Bendix Corporation, with sales of \$3.3bn. and net earnings of \$118.1m., is a leading U.S. manufacturing company. Its chairman until last year was Mr. Michael Blumenthal, currently U.S. Secretary of the Treasury.

Payments fine on Control Data

BY OUR OWN CORRESPONDENT

CONTROL DATA, one of the leading U.S. computer manufacturers has been fined \$1.4m. after pleading guilty to criminal charges relating to illicit foreign payments.

The company is the second to plead guilty to charges arising from foreign pay-offs, following a 19-month investigation of such activities by the U.S. Government. Last month, the Williams Company had to pay fines and

civil penalties of \$198,000, and yesterday a Justice Department official said that further prosecutions are expected.

The Control Data prosecution was resolved under a plea bargaining arrangement according to which the company pleaded guilty to certain charges of transferring U.S. currency to Amsterdam without completing the required U.S. Treasury transaction forms, and of violating wire-fraud statutes.

NEW YORK, April 27.

In return, the Government agreed not to disclose the identity of the foreign government or foreign officials involved.

The criminal information filed under the plea bargaining said that beginning in mid-November, 1977, the company "devised a scheme . . . to defraud the citizens of a certain foreign nation of their right to honest and loyal services of their Government officials."

EUROBONDS

Interest focuses on Canadian bond

BY FRANCIS GHILES

MOST INTEREST yesterday focused on news that the Canadian Government would be floating the largest ever DM-denominated bond—a DM600m. bullet issue. Lead manager is expected to be Deutsche Bank and indicated terms include a coupon of 4 1/2 per cent. and a five-year maturity. The largest ever DM-denominated bond is expected to be a DM600m. for the World Bank and an equivalent amount for the EEC.

This jumbo issue for Canada comes at a time when the DM sector is suffering from an overdose of new issues.

However, first reactions among dealers in Germany were not unfavourable because of the high quality of the borrower.

Another DM-denominated convertible for a Japanese borrower was announced yesterday: DM100m. for Seiyu Stores bearing a 3 3/4 per cent. coupon and

an eight-year maturity. Lead manager is Westdeutsche Landesbank. Convertibles, particularly in the DM sector which has not suffered heavily in the past two weeks. Such was the demand for the Sankey convertible that the lead manager was able to cut the indicated coupon by one quarter of a point to 3 3/4 per cent.

A DM100m. ten-year issue was announced for the Resettlement Fund of the Council of Europe with an indicated coupon of 6 1/2 per cent. The bonds, which will have an average life of eight years, are expected to be priced at par. Lead manager is Berliner Handels and Frankfurter Bank.

The secondary market in straight DM issues moved up a quarter of a point yesterday. Interest today will centre on the

outcome of the Capital Markets Sub-committee meeting which will discuss the amount of new issues in DM which can be anticipated: a figure of DM300-400m. is expected, a big fall on the figure of recent months.

The dollar sector had a mixed day and was hit by the weakness of the dollar. This was the result of the trade figures for February which, although indicating a fall in the U.S. trade deficit, also underline that the deficit with Japan had increased.

The only new issue announced yesterday was a \$10m. private placement for the Nordic Investment Bank, being lead managed by Daiwa Europe and S. G. Warburg, with a coupon of 8 1/2 per cent. Terms are comparable to those offered by the \$25m. bond for the same borrower which was priced at par earlier this week.

Diesel loss hits GM Brazil

By Diana Smith

RIO DE JANEIRO, April 27.

GENERAL MOTORS OF Brazil made a \$69.5m. loss in 1977—much of it as a result of a \$250m. investment in its new line, the Detroit diesel motor.

The diesel Detroit, which went into production in early 1977, suffered severe teething troubles and arrived on the Brazilian market too late to take advantage of a 30 per cent. upsurge in national demand for heavy vehicles and motors. Only 27,000 Detroit diesel units were produced last year—about half of capacity.

General Motors Corporation has supported its Brazilian branch, with 85 per cent. of the branch's \$81.5m. debt-related financial outlays owed to the head office.

Despite last year's difficulties, General Motors of Brazil is going ahead with plans to expand its Chevrolet line, introduce a new model in the Opala range, and diversify its lorry range. Its president, Sr. J. Sanchez, announced that it has the American corporation's backing for these plans.

Despite restriction on the use of petrol, sales of passenger vehicles in Brazil rose substantially in the first quarter of 1978 and, somewhat to their surprise, car manufacturers as a whole are expecting a good year.

Molson-Diversey

Molson Companies has given notice to Diversey Corporation of its intention to make an offer to acquire any and all of the outstanding shares of Diversey at \$US.28 a share, reports AP-DJ from Toronto.

Molson currently holds about 11 per cent. of Diversey's stock.

Consolidated Foods third quarter ahead

CHICAGO, April 27.

CONSOLIDATED Foods, the diversified consumer products company, raised its net profits in the third quarter of its fiscal year by 11.3 per cent., to \$22.6m., from \$19.42m. in the same period of the previous year.

The increase is broadly in line with the estimate given by the chairman and chief executive, Mr. John H. Bryan, Jr., early this month, when he forecast that profits for the full fiscal year, as well as those for the third quarter, would be up about 10 per cent.

The profits for the three months to April 1, equivalent to 71c a share, against 64c, have been achieved on a sales growth of 31 per cent., to \$917.5m. from \$700.8m.

The results include for the

first time, sales and earnings from Douwe Egberts, the Dutch-based international producer of coffee, tea and tobacco, in which it acquired a 65 per cent. stake from a family group for \$135m. in the second quarter.

It was announced this month that the company would report 100 per cent. of the sales of Douwe Egberts, but would remove the 35 per cent. minority interest when computing the acquisition profits.

Over the first nine months of the year, the company raised its net profits by 10.2 per cent., to \$67.48m., or \$2.4 a share, from \$61.20m., or \$2.09 a share, a year earlier. Sales increased by 12.5 per cent. to \$2,445m., from \$2,133m.

Agencies

Georgia bank bid nearer

ATLANTA, April 27.

THE NATIONAL Bank Georgia said that its settlement with the SEC regarding 300,000 shares of the bank's common stock removed "one of the major barriers to a proposed offer by a Saudi Arabian executive to buy 80 per cent. of the bank's stock."

Robert P. Gouyon, the bank president, said "there are a couple of other regulatory matters to be resolved in the way for the stockholder, initially proposed by Ghakh Pharaoh last December."

That was when Mr. Pharaoh purchased 60 per cent. of 200,767 shares of the bank which were owned by Mr. Lance, indicated an intention to extend the offer to other shareholders at a price of \$20 a share for three-fifths of the bank's 1.2 shares outstanding.

The proposed offer was delayed to May 15 from March 15, bank has stated.

Hoover rise despite fall in sales

BY OUR FINANCIAL STAFF

HOOVER COMPANY, the U.S. group which owns over half of Hoover Limited of the U.K., reports a rise of 9.5 per cent. in its first quarter earnings, to \$3.9m., from \$3.6m. in the same period last year.

The advance took place in spite of a marginal fall in sales of 0.3 per cent., to \$144.4m., from \$144.8m. Net income per share was 30 cents, compared with 27 cents. The 1977 figures are restated to allow for a change in lease accounting.

In 1977, Hoover Company raised its net profits for the full year to \$23.5m., from \$6.8m. in 1976, helped by a fourth quarter gain from foreign currency trans-

lations of \$2.78m., against a year earlier loss of \$1.57m. Sales for 1977 were \$590.7m., compared with \$571.9m. in 1976.

Reduced loss for Lykes

YOUNGSTOWN, April 28.

LYKES CORPORATION, the Ohio steel group, reports a reduced loss of \$25.9m. for the first quarter of 1978, compared with a loss of \$31.8m. for the same period of 1977, reports AP-DJ. Sales totalled \$449.4m. against \$410.4m. previously.

New service offers

U.S. information

THE Business Information Service of the Financial Times has reached an agreement with United States-based companies to provide a unique service to British and European businessmen requiring detailed financial information on all companies quoted on the United States stock exchanges.

The service offers, either an annual subscription or on an ad hoc basis, microfiche or paper copies of all annual and period reports that have been filed with the Securities and Exchange Commission in the United States.

AMERICAN QUARTERLIES

ANHEUSER-BUSCH			
First Quarter	1978	1977	
Revenue	474.0m.	391.0m.	
Net profits	20.0m.	18.0m.	
Net per share	0.45	0.39	

OUTBOARD MARINE			
Second Quarter	1978	1977	
Revenue	188m.	190m.	
Net profits	13m.	15m.	
Net per share	1.61	1.79	

ARVIN INDS.			
First Quarter	1978	1977	
Revenue	5m.	7m.	
Net profits	0.70	1.07	

BAKER INT.			
First Quarter	1978	1977	
Revenue	18m.	14m.	
Net profits	1.27	1.01	

FOREMOST-MCKESSON			
Fourth Quarter	1978	1977	
Revenue	13m.	11m.	
Net per share	0.93	0.80	

FOXBORO			
First Quarter	1978	1977	
Revenue	82.0m.	81.0m.	
Net profits	5.0m.	7.0m.	
Net per share	0.58	0.53	

GEN. PUBLIC UTILITIES			
First Quarter	1978	1977	
Revenue	39m.	40m.	
Net profits	0.65	0.73	

HUDSON'S BAY OIL & GAS			
First Quarter	1978	1977	
Revenue	28m.	26m.	
Net profits	1.49	1.38	

HUGHES TOOL			
First Quarter	1978	1977	
Revenue	127m.	107m.	
Net profits	11m.	11m.	
Net per share	0.80	0.54	

HUSKY OIL			
First Quarter	1978	1977	
Revenue	141.0m.	128.0m.	
Net profits	9.0m.	7.0m.	
Net per share	0.82	0.68	

INTERLAKE			
First Quarter	1978	1977	
Revenue	204.0m.	181.0m.	
Net profits	11.0m.	3.0m.	
Net per share	—	0.44	

INTERPUBLIC GROUP			
First Quarter	1978	1977	
Revenue	64.0m.	50.0m.	
Net profits	2.0m.	1.0m.	
Net per share	0.65	0.29	

MARTIN MARIETTA			
First Quarter	1978	1977	
Revenue	348.0m.	308.0m.	
Net profits	18m.	22m.	
Net per share	0.75	0.93	

MASCO			
First Quarter	1978	1977	
Revenue	194m.	107m.	
Net profits	15m.	13m.	
Net per share	0.56	0.49	

MISSOURI PACIFIC			
First Quarter	1978	1977	
Revenue	288.0m.	267.0m.	
Net profits	18.0m.	23.0m.	
Net per share	1.22	1.61	

N. STATES POWER			
First Quarter	1978	1977	
Revenue	288.0m.	240.0m.	
Net profits	38.0m.	31.0m.	
Net per share	1.21	0.92	

BRIEFLY			
Upsurge at Liggett Group			
AMONG those reporting rises in net profit for the first quarter of 1978 was Liggett Group with 97 cents per share against 65 cents for the same 1977 period. Also ahead was Southern Natural Resources with \$1.48 going against \$1.14 and Giddings and Lewis (53 cents a share) from the 32 cents in 1977. TransCanada Pipelines rose to 58 cents a share in the period from 53 cents, and American Natural Resources reported a gain to \$3.35 a share from the \$3.32 in the same 1977 period.			

STAUFFER CHEMICAL			
First Quarter	1978	1977	
Revenue	430.0m.	400.0m.	
Net profits	53.0m.	48.0m.	
Net per share	2.40	2.11	

SUN			
First Quarter	1978	1977	
Revenue	1.7bn.	1.6bn.	
Net profits	77m.	82m.	
Net per share	1.31	1.38	

WARNACO			
First Quarter	1978	1977	
Revenue	88.0m.	91.0m.	
Net profits	2.0m.	0.5m.	
Net per share	0.36	0.10	

Wm. WRIGLEY Jr.			
First Quarter	1978	1977	
Revenue	95.0m.	90.0m.	
Net profits	5.0m.	6.0m.	
Net per share	1.26	1.1	

SPENCER GEARS			
General engineers, manufacturers of industrial gears, and manufacturing engineers to the brewery trade.			
Six months to 31 December 1977			
Turnover	1,902,638	1,588,638	3,915,938
Profit before tax	105,778	101,816	365,283
Taxation	2,274	2,217	186,533
Profit after tax	62,502	58,699	178,750
Earnings per share	1.37p	1.31p	3.91p
Dividend	0.38p	0.38p	1.08p

The 19.9 per cent growth in turnover reflected the higher level of activity in all parts of the group. The two companies which supply the brewing industry, Southern Industries (Croydon) Limited and Southern Industries (Coolers) Limited, continued to increase their share of the market. Building will start shortly on a new factory at Croydon for the production of hot-brass stampings for beer raising and dispensing equipment. Turnover of Spencer Gears at Leicester has increased considerably, and the order book is larger than ever. New testing equipment has been installed to assist in the up-grading of products. The second half of the year should continue the established pattern of the Spencer Gears Group with by far the greater part of the profit coming in this period.			
It is proposed to make a scrip issue of ordinary shares to holders on the register on 28 April 1978 on the basis of one share for each share held. After this issue, the issued share capital will be £456,759.			
Spencer Gears (Holdings) Limited, Roger Street, London WC1			

American Express International Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

U.S. \$40,000,000

Guaranteed Floating Rate Notes Due 1985

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

American Express International Banking Corporation

Issue Price 100 per cent

European Banking Company Limited

Amex Bank Limited

Dresdner Bank Aktiengesellschaft

Morgan Stanley International Limited

Salomon Brothers International Limited

S. G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V.	Allied Irish Investment Bank Limited	A. E. Ames & Co. Limited	Amex Bankcom Limited	Amsterdam-Rotterdam Bank N.V.	Banca Commerciale Italiana
Banco Urquijo Hispanoamericano	Bank of America International Limited	Bank Julius Baer International Limited	The Bank of Bermuda, Ltd.	The Bank of N.T. Butterfield & Son Limited	
The Bank of East Asia, Limited	Bank für Gemeinwirtschaft, Altona, Hamburg, Limited	Bank of Helsinki Ltd. Limited	Bank Leu International Ltd.	Bank Mees & Hope N.V.	
The Bank of Tokyo (Holland) N.V.	Bankers Trust International Limited	Banque du Benelux S.A.	Banque Bruxelles Lambert S.A.	Banque Continentale du Luxembourg Société Anonyme	
Banque Européenne de Tokyo	Banque Française du Commerce Extérieur	Banque Française de Crédit International Limited	Banque Générale du Luxembourg S.A.		
Banque de l'Indochine et de Suez	Banque Internationale à Luxembourg S.A.	Banque Louis-Dreyfus	Banque Nationale de Paris		
Banque de Neufville, Schlumberger, Mallet	Banque de Paris et des Pays-Bas	Banque Populaire Suisse S.A. Luxembourg	Banque Privée S.A.		
Banque Rothschild	Banque de la Société Financière Européenne	Banque de l'Union Européenne	Barclays Bank International Limited	Baring Brothers & Co. Limited	
Bayerische Hypotheken- und Wechsel-Bank	Bayerische Landesbank Girozentrale	Bayerische Vereinsbank	Berliner Handels- und Frankfurter Bank		
BHF-BANK International	Blyth Eastman Dillon & Co. International Limited	Caisse des Dépôts et Consignations	Cazenove & Co.	Centrale Rabobank	
Chase Manhattan	Chemical Bank International Limited	Citicorp International Group	Commerzbank Aktiengesellschaft	Continental Illinois Limited	Country Bank Limited
Crédit Agricole (C.N.C.A.)	Crédit Commercial de France	Crédit Industriel et Commercial	Crédit Lyonnais	Crédit du Nord	Crédit Suisse White Weld Limited
Creditanstalt-Bankverein	Dai-ichi Kangyo Bank Nederland N.V.	Daiwa Europe N.V.	Den Danske Bank af 1871 Aktieselskab	Deutsche Girozentrale	Deutsche Kreditbank
The Development Bank of Singapore	DG BANK Deutsche Geseinsschaftsbank	Dillon, Read Overseas Corporation	Donaldson, Lufkin & Jenrette Securities Corporation		
Dow Banking Corporation	Efectenbank-Warburg Aktiengesellschaft	Eurogest S.p.A.	Eurobank S.p.A.	First Boston (Europe) Limited	First Chicago Limited
P.T. First Indonesian Finance and Investment Corporation	Robert Fleming & Co. Limited	Fuji International Finance Limited	Genossenschaftliche Zentralbank Aktiengesellschaft		
Antony Gibbs Holdings Ltd.	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft	Goldman Sachs International Corp.			
Greenfields Incorporated	Hambros Bank Limited	Handelsbank N.V. (IOV) S.A.	Hill Samuel & Co.	Hoare Govett Ltd.	E. F. Hutton Int. N.V.
IBJ International Limited	Interunion-Bank	Istituto Bancario San Paolo di Torino	Jardine Fleming & Company Limited	Kansallis-Osake-Pankki	
Kidder, Peabody International Limited	Kjebenhavns Handelsbank	Neimvort, Benson Limited	Kredietbank N.V.	Kredietbank S.A. Luxembourgeoise	
Kuhn Loeb Lehman Brothers International	Lazard Brothers & Co.	Lloyds Bank International Limited	Loeb Rhoades, Hornblower International Limited		
London & Continental Bankers Limited	Manufacturers Hanover Limited	McLeod, Young, & Co. International Limited	Merrill Lynch International & Co.		
Mitsubishi Bank (Europe) S.A.	Mitsui Finance Europe Limited	Samuel Montagu & Co. Limited	Morgan Grenfell & Co.	Nederlandsche Handelsbank N.V.	
Nesbitt, Thomson	The Nikko Securities Co. (Europe) Ltd.	Nippon European Bank S.A.	Nomura Europe N.V.	Norddeutsche Landesbank, Girozentrale	
Nordic Bank	Sal. Oppenheim Jr. & Co. Limited	Österreichische Länderbank	Pierson, Holding & Pierson N.V.	Postbank	Priobanken Aktiengesellschaft
Rothschild Bank AG	N.M. Rothschild & Sons Limited	Sanwa Bank (Unternehmen) Limited	J.S. Sassoon Incorporated	Scandinavisk Bank Limited	J. Henry Schroder Wagg & Co. Limited
Schroders & Chartered	Skandinaviska Enskilda Banken Limited	Smith Barney, Harris Upham & Co. Incorporated	Société Centrale de Banque	Société Générale	
Société Générale Alsacienne de Banque	Société Générale de Banque S.A.	Société Séquanaise de Banque	Sofias S.p.A.	Sparbankernas Bank	
Strauss, Turnbull & Co.	Sumitomo Finance International	Sun Hung Kai International Limited	Svenska Handelsbanken	Swiss Bank Corporation (Overseas) Limited	
Trade Development Bank, London Branch	Trust Corporation of Bahamas Limited	Union Bank of Finland Ltd.	Union de Banques Arabes et Européennes	U.B.A.E. Société Anonyme	
Union de Banques Arabes et Françaises U.B.A.F.	United Overseas Bank Limited, Singapore	Vereins- und Westbank Aktiengesellschaft	J. Vontobel & Co.		
Westdeutsche Landesbank	Williams, Glyn & Co.	Dean Witter Reynolds International, Inc.	Wood Gundy	Yamaichi International (Nederl) N.V.	

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Rhone-Poulenc out of the red in spite of textile problems

By DAVID CURRY

PARIS, April 27.

RHONE-POULENC, with both five sites in France and the concentration of activities on nylon and polyester. The group's Brazilian textiles operations have remained profitable. At the level of cash flow the improvement is substantial: Frs.1.44bn. against Frs.982m. permitting the group to cover out of its own resources industrial investment of more than Frs.1.45bn. Sales advanced by 10 per cent, on a comparable basis to Frs.23.51bn. These results are encouraging because the main benefits of the drastic reorganisation in textiles will not be felt immediately although the reorganisation will continue to impose heavy charges on the group owing to the possibility of substantial redundancies. Preliminary indications for 1978 are that in both chemicals and textiles the past two months have shown signs of a modest recovery after a rather dismal beginning to the year.

CCF hits at controls

By DAVID WHITE

PARIS, April 27.

REDIT Commercial de France, thus putting France in a unique position among the big industrialised countries, he said. Presenting shareholders with the 1977 results, which showed an advance in net earnings from Frs.68m. to Frs.77m. (\$16.7m.), M. Levenue urged the adoption of a fresh system to replace uniform controls on banking activity. This would include the setting of a fixed relation between banks' capital and credits and a re-defining of the role of banks such as the State-run Credit Agricole, which receive special treatment.

Profit optimism at SKF

By WILLIAM DUFFLORCE

STOCKHOLM, April 27.

SKF, the Swedish bearings, steel and machine tools multinational, forecasts improved 1978 earnings due mainly to exchange rate developments, notably the appreciation of the yen. The improvement will, it is hoped, be felt particularly on the bearings side which makes up 72 per cent of group sales. Although the engineering market remained weak last year and price competition was fierce, SKF's bearings business maintained its profit margins. The rise in the yen induced not a

BMW plans to raise \$64m. by rights issue

By Jonathan Carr

MUNICH, April 27.

BAYERISCHE Motoren Werke (BMW), the Munich-based car and motorcycle manufacturer, will propose to its shareholders meeting on June 27 a slightly reduced cash dividend for 1977 and a substantial capital increase via a DM133m. (\$64m.) rights issue. Last July saw a capital increase of DM66m. which took BMW's nominal capital to DM396m. Now the Board is proposing a further increase to a total of DM500m., chiefly through a one-for-four rights issue of DM125m. per DM50 nominal share. The new shares will be entitled to a half of the dividend for 1978, with full dividend rights for 1979.

Group turnover last year rose by 10 per cent, to DM5.6bn. and while profits did not keep pace, they are nonetheless described as "well above" 1976's already high level. The company began 1978 with the biggest order book in its history and sales are thought likely to increase this year by around 10 per cent.

The dividend proposal of DM9 per share instead of the DM10 paid in respect of 1976 had been widely expected. It reflects the effect of the new tax reform which has a downturn in company performance.

Specialisation at Arbed

By David Buchan

BRUSSELS, April 27.

ARBED's recent acquisitions in the Saar—control of Röchling-Burbach and Neunkircher Eisenwerk and a stake in Dillingen—will result in greater specialisation between the Saar plants and Arbed's Luxembourg operations. Arbed shareholders were told today that the Luxembourg steel company, which had a net 1977 loss of Lux.Frs.4.5bn. hopes that the integration of its recent purchases will bring future benefits.

Arbed is currently negotiating a production arrangement with several southern Belgian steel companies in the Charleroi area. But no final outcome is likely, before the middle of May, Arbed officials say. Arbed does not intend to make any financial link with the Belgian companies.

RESTRUCTURING AT MONTEDISON

The basis for a chemicals recovery

By PAUL BETTS, RECENTLY IN MILAN

A MAJOR and long-foreseen restructuring of the troubled Italian synthetic fibres and textiles sector is to be announced tomorrow during the annual shareholders' meeting of the giant Milan-based chemicals conglomerate, Montedison.

Simultaneously, the chemicals group, whose parent company Montedison SPA reported record losses of L509bn. (\$820m.) will propose a massive capital writedown from L435bn. to L52bn. and a subsequent capital increase to L355bn. underwritten by a consortium of Italian banks led by the State medium term credit institute, Mediobanca.

Mediobanca will also launch a L75bn. bond issue guaranteed on Montedison's fixed assets.

The financial moves are inter-related, and are the outcome of long drawn-out negotiations at government level. They form part of the latest attempt to reconstruct, structurally and financially, the company which is Italy's second biggest private enterprise after Fiat. In so doing it is hoped to establish the basis of a recovery for the entire chemicals and fibres sector, which effectively represents one of the backbones of the Italian industrial structure.

Tomorrow's meeting could be a watershed in the controversial history of the Montedison group. There appears at last to be general political consensus at pulling the company out of the doldrums. After years of political conflicts over the future of the group and an incessant war between the various companies operating in the sector, the prevailing feeling is that Montedison as presently structured has reached the end of the road.

Over the last few months, there has been a concerted effort by private industry, political forces and trade unions to effect the long overdue recovery of the group. The recovery programme is based on the principle of maintaining Montedison in the private sector, a view now also being promoted by the powerful Communist party and the trade union leadership and not just by other large private complexes like Fiat, the country's attempt at an overall industrial reconversion, and the test this time will not come so much from the political parties and the other chemical companies, but from the union

	1972	1973	1974	1975	1976	1977
MONTEDISON GROUP						
Sales	2,100	2,590	4,029	3,535	4,815	5,472
Profit/loss	-455	-33	-123	-163	-72	-445
Debt	1,856	1,824	213	2,775	3,062	3,430
MONTEDISON SPA (PARENT COMPANY)						
Sales	823	7,173	2,300	1,890	2,735	3,075
Profit/loss	-459	+6	-81	-73	-	-509
Debt	1,324	1,260	1,597	1,942	2,100	2,100
MONTEDISON SPA (MAIN FIBRE SUBSIDIARY)						
Sales	315*	344	427	403	588	550†
Profit/loss	-82	-11	-8	-117	-100	-112(S)
Debt	130	127	169	265	312	—

* Net sales. † Estimate. Figures in lire billions.

rank and file. The union base is now being given the opportunity to show whether it is prepared to accept its leadership's moderate guidelines with the renewal of a series of national labour contracts.

But perhaps the most significant aspect of the Montedison affair is the seeming political decision to maintain the group's "private" character and the current efforts of Italy's private sector to avoid the prospect of seeing its hold further eroded by the state sector.

A champion of this philosophy is the former Fiat managing director, Sig. Carlo de Benedetti, who on Thursday was appointed deputy chairman and managing director of the Olivetti group and is to take up the single largest stake of 20 per cent in the mechanical-electronics company in a L40bn. capital increase to consolidate Olivetti's financial

position and its burden of accumulated debts. Last year, the Olivetti group also launched a L50bn. capital increase underwritten by a consortium of banks to reconstruct its financial position. In the Olivetti case, the Turin Fiat group, which has a holding in the company, agreed to the de Benedetti operation although the relationship between Fiat and Sig. de Benedetti remains strained. Indeed, Sig. de Benedetti resigned from the Fiat Board after barely three months following a clash of personalities and policies.

The private sector, which is effectively the only industrial sector still working with a degree of efficiency and profitability in Italy, has for long maintained that if it were left alone and given a reasonable basis of growth it could successfully expand and develop.

There is now a recognition that the state sector, now facing its most acute crisis since the war, is no longer a realistic model for an industrial reconversion programme.

While there is, at last, an apparent serious attitude by the Montedison management, private industry, and the political and social forces to tackle the fundamental weakness of the Italian-based conglomerate, the task to be accomplished pales into relative insignificance in the face of the much broader problems afflicting the entire state sector in Italy.

Setback forecast at Ciba-Geigy

By JOHN WICKS

ZURICH, April 27.

profits for 1978. At a Press conference in Basle by Dr. Louis von Planta, chairman and managing director of Ciba-Geigy AG, expressed "concern" at the monetary situation, the economic development of major customer countries and a trend towards protectionism.

In 1977, parent-company net profits rose from Sw.Frs.117.4m. to Sw.Frs.123.1m. Following a jump in group operating profit to Sw.Frs.420m. from Sw.Frs.320m., Dividend is being maintained.

Group sales dropped by 15 per cent to Sw.Frs.2.66bn. in the first quarter of 1978, the result of the sharp increase in the exchange rate of the Swiss franc, in local currencies, turnover actually rose by 4 per cent. Business also suffered in the first three months from transport difficulties in the U.S. agro-chemicals sector.

In calendar 1977, overall turnover had shown 5 per cent growth in Swiss-franc terms of Sw.Frs.8.84bn. with the rise in

terms of local currencies amounting to 11 per cent.

Ciba-Geigy, which has in the course of the past few months announced seven acquisitions in the U.S., intends to concentrate future investments on projects in Switzerland, the U.S. and Brazil. Further takeovers are likely: last year Europe accounted for 46 per cent, and North America 36 per cent of group sales.

A further fall in profits for Swiss engineering concern Sulzer Brothers is probably inevitable this year, parent company Gebroeder Sulzer AG said in Winterthur. In 1977, group profits declined by 21 per cent to Sw.Frs.84m. (\$42.5m.) and parent company net profits by 12 per cent to Sw.Frs.41.45m. The Board is recommending an unchanged 14 per cent dividend.

In 1978, Sulzer expects a further drop in orders on hand.

Last year, new orders were 2 per cent down in value to Sw.Frs.3.39bn. while turnover was down by 1 per cent to Sw.Frs.3.5bn.

Demand for group products is weak, according to managing director Artur Frauenthalder, while competition is sharp and the group hit by the high exchange rate of the Swiss franc.

According to Mr. Frauenthalder, there has been no improvement in sales prices. The group is continually forced, particularly for large export orders, to offer competitive prices which do not fully cover costs.

Jardine Industries

JARDINE INDUSTRIES has appointed Wardley to advise the minority shareholders on the proposal whereby Jardine Matheson and Co. would acquire their shares for cash at SHK4.00 each. Jardine reports.

Estel sees small upturn

By CHARLES BATCHELOR

AMSTERDAM, April 27.

ESTEL, the Dutch-German steel group, expects a gradual improvement in its results but will make a "not inconsiderable" loss this year. This follows the record net loss of Frs.41.6m. (\$188m.) after Frs.69m. in 1976. Turnover was Frs.10.1bn. (Frs.9.3bn.).

The improvement will come from the EEC Commission's efforts to establish basic prices and to limit the volume of imports, and from Estel's own reorganisation. The company sees no need to shut down plant in view of its modern facilities and its favourable geographical situation.

But by savings on maintenance, energy and raw material costs, it hopes to save Frs.500m. at 1977 prices this and next year. Savings of Frs.400m. will be made in the steel division alone. Technical improvements in plant and reductions in the workforce will also lower costs.

Estel proposes paying no dividend for 1977.

industry crisis is expected, however, to last into the 1980s and a lasting improvement can only come from increased demand. Prospects for both domestic and export markets are uncertain. Measures taken in the U.S. may reduce volume sales there, although prices will rise.

The steel division expects to produce around 10m. tons of crude steel annually over the next few years, meaning a 70 per cent capacity utilisation rate. Capacity use in the Netherlands of 1978 is expected to be around 73 per cent—up from 68 per cent last year.

The steel processing division has been expanding into high-technology activities and last year took holdings in or acquired three companies in Italy, Holland and Germany. It also set up technical services companies in Holland and Germany to sell complete installations.

Estel proposes paying no dividend for 1977.

FINANCIAL SERVICES

- Corporate underwritings
- Private placements
- Lease financings
- Mergers, acquisitions and divestitures
- Real estate financings and sales
- International public offerings
- International private placements
- Domestic and international project financings
- Industrial revenue bond financings
- Pollution control financings
- Commercial paper issuance
- Corporate stock repurchasing
- Registered and non-registered secondary offerings
- Underwritten redemption of securities
- Sinking fund purchases
- Investments for temporarily excess cash
- Exchange offerings and tender offers
- Government agency financings
- State and municipal financings
- Financing services for foreign governments and agencies
- Financial advisory and evaluation services

INVESTING SERVICES

- Investment research
- Economic forecasting
- Money market and credit analysis
- Investment strategy
- Industry and company analysis
- Block trading
- Special order service
- Equity securities, listed and over-the-counter
- Foreign securities
- Convertible stocks and bonds
- Domestic and international securities arbitrage
- Listed options trading
- Debt and equity securities swaps
- Restricted brokerage transactions
- Commercial paper
- Government and Federal agency securities
- Bankers acceptances
- Certificates of deposit
- Corporate bonds, notes and preferred stocks
- Tax-exempt bonds
- Securities from managed offerings and participations

GOLDMAN SACHS CAPABILITY: HELPING CORPORATIONS RAISE CAPITAL THROUGH PRIVATE FINANCINGS.

In 1977, as reported by the Investment Dealers' Digest, Goldman Sachs was the leading agent for U.S. private financings. And, since the beginning of 1975, we have helped complete more than 275 private financings totalling over \$5 billion. Here's how this uncommon capability can help you raise funds through direct or "private" placements, and lease and project financings with major financial institutions in the U.S.

Finding the form of financing which best meets your needs. What are the relative merits of a private placement versus a public offering for your company? What maturity in a placement would be most appropriate to your needs? What provisions should be included in the loan agreement? When should you enter the market?

Is lease financing the best way to arrange for the use of a specific asset? What form of lease? Who benefits more by taking the applicable tax credits, you or the lessor? What is the optimum lease term? What are the preferable renewal and purchase options? How can the lease be structured to give you the most favorable rent?

These are some of the many factors we explore with private financing clients. Our

objective is to do more than just help meet your immediate financing requirements; we also seek to maximize your flexibility in obtaining additional funds in the future.

Arranging your financing smoothly and quickly. Our private financing staff is one of the largest in the investment banking industry. They are in the market every day and in regular contact with more than 300 major institutional investors. We know what institutions are looking for in the way of rates, amounts, terms, industries, and types of securities and assets.

We believe no firm provides a more complete or comprehensive coverage of the private capital market, and consider this a key factor in our ability to arrange private financings promptly and effectively.

Providing professional continuity throughout the financing. When Goldman Sachs specialists are assigned to a private placement or lease financing, they are on it from beginning to end.

They participate in initial discussions with the company and analyze the credit. They provide counsel on the form and structure of the transaction. They prepare the offering material

and market the securities. They advise on rate and terms and help with negotiations. They are there for the closing.

Solving the problem, whatever your need. Goldman Sachs' personal and on-going approach to private financing frequently helps us complete even the most complicated and difficult transactions, including those for international corporations. During 1977 alone, we arranged 11 private financing programs in the U.S. for European and Far Eastern clients, totalling \$245 million.

Our private placement capability and experience extends to virtually every industry—including manufacturing, utility, banking, transportation, finance and retailing.

Our lease financing capability and experience also extends to a wide range of assets—office buildings, stores, manufacturing facilities and equipment, distribution centers, computers, nuclear fuel, aircraft, railroad cars and ships.

Recent private financing transactions arranged by us have ranged in size from under \$5 million to \$150 million, with maturities from 5 to 25 years.

When your company needs to raise

capital privately, call on the capability of Goldman Sachs. The uncommon capability that has made us the leader in private financing.

Goldman Sachs International Corp.
40 Basinghall Street
London EC2V 5DE
01-638-4155

P.O. Box 70
Kasumigaseki Bldg.
2-5, Kasumigaseki 3-Chome
Chiyoda-ku, Tokyo 100
03-592-1781

Goldman Sachs AG
Limmatquai 4
Zurich 8001
01-47 93 33

Goldman, Sachs & Co.
55 Broad Street
New York, New York
10004
212-676-8000

Goldman Sachs

Uncommon Capability

INTERNATIONAL FINANCIAL AND COMPANY NEWS

MEDIUM-TERM LOANS

Scandinavia sets the pace

BY FRANCIS GHILES

A LARGE number of medium-term loans are currently being negotiated, with most borrowers in a position to obtain from the banks softer terms than they did when they last approached the market.

There is no sign yet that this softening is about to come to an end, although some banks have in recent weeks lost mandates because they were not prepared to follow spreads down as much as some of their competitors.

Scandinavian borrowers are among the most active, and are reaping the full benefit of the softer terms. The Statoil \$300m. ten-year loan which boasts a split spread of 1 per cent. for the first six years, rising to 1 per cent. the finest ever for a Scandinavian borrower is now completed. Meanwhile Svenska Petroleum is raising \$100m. in effect a refinancing operation. Terms are understood to include a spread of 1 1/2 per cent. and an eight year Greek paper is understandable. The other European borrower is Bulgaria, which is raising \$100m. for six years on a split spread of 1 per cent. for the first two years, rising to 1 per cent. through Foreign Trade Bank, Lead manager is Lloyds Bank International. The improvement in terms for this borrower comes as no surprise, particularly following the terms its neighbour, Hungary, is now able to command.

Lloyds Bank International (LBI) is also involved in two other operations, in both cases as joint lead manager. The first is a \$150m. eight-year loan on a spread of 1 per cent. for the first three years, rising to 1 1/2 per cent. throughout. Such a spread represents a fall of 1 1/2 per cent. compared with the previous operation. Joint lead managers of the current loan are Hambros, Canadian Imperial Bank of Commerce and Mitsui.

Two other European countries are also arranging loans. Greece is raising \$350m. for ten years on a split spread of 1 per cent. for the first three years, rising to 1 1/2 per cent. Lead manager is Bankers Trust International. Of the total figure, \$200m. is understood already to have been underwritten. This is the first time the Bank of Greece has approached the market in 18 months, and it is unlikely to do so again this year. In view of this and Greece's low level of debt overall, the keenness of banks to pick up

Second half earnings surge lifts Romatex

By Richard Stuart

JOHANNESBURG, April 27.

ROMATEX, the quoted textile subsidiary in the C. G. Smith sugar group, has turned in record profits in spite of a low level of economic activity in all its major markets. After tax profits are up 29 per cent. from R5m. to R10.3m. (\$11.8m.) on a 7 per cent. rise in turnover from R163m. to R174m. (\$200m.). This strong performance was aided by a significant improvement in earnings in the second half. The normal fourth quarter cyclical downturn in profits was less severe than in previous years and the interest bill was cut sharply.

The final dividend has been raised from 10 cents a share to 12 cents making a total distribution of 17 cents covered 2.6 times, against 13 cents last year on the same cover.

A modest increase in profits is forecast for the current year. The shares are currently trading at a new high of 185 cents, two and a half times the level of a year ago, though still yielding over 10 per cent.

Sasebo in new rescue plan

TOKYO, April 27.

FOUR MAJOR shareholders in Sasebo Heavy Industries Company have agreed to co-operate with the Government and banks to help salvage the ailing shipbuilder under a three-year reconstruction plan recommended by the Transport Ministry, a Ministry spokesman said.

The shareholders — Nippon Steel, Kurashima Dockyard, Nippon Kōkan Kaisha and Missho-Iwai — will discuss how to provide guarantees for a ¥3bn. (\$35.5m.) bank loan needed by Sasebo to pay retirement allowances to 1,600 of its 6,600 employees as part of the plan.

The Ministry has asked the four shareholders to provide guarantees for the loan, which Sasebo is seeking from a banking consortium led by Dai-ichi Kangyo Bank.

The Ministry and the company, however, would not give details of the three-year plan.

Sasebo said it has a backlog of orders sufficient to maintain operations until July or August but it added that it expects orders for a few tankers to be placed soon by overseas owners.

FOREIGN BANKS IN INDIA

Moving ahead in spite of handicap

BY P. C. MAHANTI IN CALCUTTA

SINCE THE nationalisation of 14 largest Indian commercial banks, the foreign banks operating in the country have been subject to a major handicap. They have not been permitted to open new branches, although rapid industrialisation and the increasing monetisation of the rural economy have opened up new opportunities for banking activity in India. Yet all the foreign banks have been doing well.

The growth in their deposits and advances has not matched that of the Indian banks, and the foreign banks' share of the total banking business has been diminishing because of the restraint on their operations. Even so, there was a 28.4 per cent. increase in deposits and a rise of 56.3 per cent. in the lending of the foreign banks over the period 1969-1976, with deposits rising to Rs.9,13m. from Rs.4,870m., and advances to Rs.6,30m. from Rs.4,030m.

An even more striking feature of the activity of these banks is a significantly higher rate of profitability than that of their Indian counterparts. The net profit of the foreign banks expressed as a proportion of their total earnings, came to 5.9 per cent. in 1976, as against only 1.8 per cent. for the Indian banks.

However, this is not altogether a matter of relative efficiency, since the Indian banks have to devote a part of their credit to small industrial borrowers at concessional rates of interest, and to relatively high-risk borrowers such as farmers and village artisans. Being unable to open new branches, and thereby prevented from spreading their activity to new growth centres, some of the foreign banks have been banking in which they have been conspicuously successful. Foreign-controlled, even purely Indian, companies have turned to them increasingly for the financing of large issues. With one or two exceptions, Indian banks Mr. H. M. Patel, recently told little competition in this. The Lok Sabha that the Government was reviewing the policy

BANKING BUSINESS IN INDIA

(End Year)
(Rs. Million)

	1969	1973	1974	1975	1976
Deposits					
Foreign banks	4,870	7,870	8,160	8,710	9,130
Indian banks	48,080	99,880	117,960	143,260	162,240
All banks	52,950	107,750	126,120	151,970	171,370
Share of foreign banks in total deposits of all banks per cent.	9.2	7.3	6.5	5.7	5.3
Credit					
Foreign banks	4,030	5,770	6,120	6,080	6,300
Indian banks	33,960	67,310	68,520	99,840	122,790
All banks	37,990	73,020	74,640	105,920	129,090
Share of foreign banks in total credit of all banks per cent.	10.6	7.8	7.2	5.7	4.9

Source: The Economic Times

have, moreover, earned a reputation for solid efficiency with all their operations and the branches in addition, their ability to keep costs under control, despite inflation, and higher staff wages, has meant that between 1969 and 1976, their expenditure rose by Rs.700m., against an increase in earnings of Rs.750m.

Being unable to open new branches, and thereby prevented from spreading their activity to new growth centres, some of the foreign banks have been banking in which they have been conspicuously successful. Foreign-controlled, even purely Indian, companies have turned to them increasingly for the financing of large issues. With one or two exceptions, Indian banks Mr. H. M. Patel, recently told little competition in this. The Lok Sabha that the Government was reviewing the policy

on permitting foreign commercial banks to open new branches. The previous Government, in two cases — allowed the Bank of America to convert its representative office in Delhi into a full-fledged branch, and permitted the Sank Bank of Bangladesh to open a branch in Calcutta, perhaps a reciprocity move. The present Government has done nothing far.

Some 60 applications, from foreign banks operating in India and others wanting to open branches for the first time, are pending with New Delhi. The Chartered Bank has applied, as many as 26 branches.

Others waiting include the Bank of America, Mercantile Bank, the British Bank of the Middle East, Banque Paribas de Paris and American Express. Among those wanting to open branches for the first time are Chase Manhattan, Bank of Oman Bank of Credit and Commerce International.

It has been suggested that some of the foreign countries which Indian banks have already opened branches or want to open reciprocal facilities for their own banks, and indeed a few have sounded out New Delhi informally on the question. India banks have been steadily opening branches abroad — from a mere 40 a decade ago, the number has gone up to about 100. Licences for another 40 have been obtained. The branches at spread over 22 countries.

Considering the sharp increase in India's export-import trade and her burgeoning foreign exchange reserves, fed by a simple flow of remittances from Indians working abroad, only natural that foreign banks with their resources, skill and international contacts, should seek a bigger share in the country's banking set-up that they are allowed to-day.

JAPANESE DEPARTMENT STORES

Growth rates well below target

BY YOKO SHIBATA

TOKYO, April 27.

SALES OF five major Japanese department stores, Mitsukoshi, Daimaru, Takashimaya, Matsuzakaya and Sogo continued to register single figure growth rates of 2 per cent. to 6 per cent. for the fiscal year ended in February. As a result of sluggish personal consumption and the warm winter climate, sales growth of all five stores was well below the original targets, personal consumption falling short of the store's cautious growth estimates.

Sales at Mitsukoshi totalled ¥450.2bn. or \$3bn., up 4.7 per cent. on the year, while at Daimaru they came to ¥387.1bn. (up 3.0 per cent.), at Takashimaya to ¥330.6bn. (up 6.5 per cent.), at Matsuzakaya ¥257.1bn. (up 5.3 per cent.), and Sogo ¥147.2bn. (up 2.9 per cent.).

With the exception of Mitsukoshi, the companies suffered setbacks in operating profits. Operating profits amounted to ¥18bn. or \$80m., at Mitsukoshi (up 4.6 per cent.), to ¥7.1bn. at Daimaru (down 9.2 per cent.), and to ¥7.6bn. at Takashimaya (down 9.1 per cent.), while at Matsuzakaya they were ¥5.3bn. (down 12.9 per cent.), and at Sogo ¥4.2bn. (down 4.1 per cent.).

Mitsukoshi achieved recurring profits of ¥22.3bn. (up 11.2 per cent.) and posted a record net profit at ¥10.3bn. (up 12.4 per cent.). The store placed its main stress on luxury products and directly imported goods which started to pick up in the latter half of the year. Its non-borrowing policy turned out favourably, improving the financial balance substantially.

Daimaru's recurring profits were ¥5.5bn., up 14.5 per cent. and net profits were ¥3.4bn., up 3 per cent. Takashimaya's recurring profits rose by 2 per cent. to ¥6.3bn., but its net profits at ¥3.2bn., showed no significant growth. Matsuzakaya showed a slight gain in recurring profits, and to ¥4.5bn. (up 2 per cent.), contributed to by a lowering of interest, with the fall in interest rates. Net profits of Matsuzakaya were ¥2.1bn.

According to the Department Store Association, sales volume of the department stores last March surpassed that of supermarket chains for the first time since 1971. The association says, stress on luxury products and there are moves in demand towards expensive and high profit margin goods such as women's wear, furniture, and art objects. In view of this prospect, department stores expect profits to recover strongly. Mitsukoshi expects double figure growth in current profits.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS		Bid	Offer	SELECTED EURODOLLAR BOND PRICES		Bid	Offer
Alcan Australia Sps 1988		94 1/2	95 1/2	Mid-day Indications		94 1/2	95 1/2
AMEV Sps 1987		97 1/2	98 1/2			94 1/2	95 1/2
Australia Sps 1987		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1988		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1989		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1990		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1991		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1992		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1993		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1994		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1995		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1996		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1997		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1998		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 1999		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2000		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2001		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2002		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2003		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2004		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2005		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2006		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2007		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2008		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2009		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2010		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2011		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2012		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2013		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2014		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2015		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2016		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2017		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2018		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2019		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2020		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2021		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2022		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2023		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2024		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2025		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2026		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2027		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2028		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2029		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2030		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2031		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2032		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2033		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2034		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2035		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2036		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2037		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2038		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2039		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2040		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2041		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2042		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2043		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2044		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2045		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2046		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2047		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2048		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2049		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2050		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2051		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2052		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2053		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2054		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2055		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2056		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2057		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2058		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2059		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2060		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2061		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2062		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2063		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2064		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2065		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2066		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2067		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2068		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2069		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2070		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2071		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2072		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2073		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2074		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2075		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2076		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2077		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2078		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2079		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2080		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2081		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2082		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2083		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2084		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2085		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2086		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2087		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2088		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2089		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2090		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2091		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2092		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2093		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2094		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2095		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2096		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2097		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2098		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2099		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2100		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2101		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2102		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2103		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2104		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2105		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2106		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2107		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2108		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2109		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2110		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2111		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2112		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2113		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2114		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2115		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2116		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2117		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2118		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2119		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2120		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2121		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2122		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2123		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2124		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2125		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2126		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2127		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2128		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2129		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2130		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2131		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2132		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2133		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2134		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2135		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2136		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2137		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2138		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2139		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2140		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2141		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2142		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2143		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2144		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2145		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2146		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2147		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2148		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2149		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2150		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2151		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2152		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2153		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2154		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2155		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2156		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2157		94 1/2	95 1/2			94 1/2	95 1/2
Australia Sps 2158		94 1/2	95				

Surplus of cocoa still precast

Recent rise in cocoa does not mean there has been any change in the supply-demand balance, according to London market participants. The market is still in a surplus, and the surplus is likely to be maintained for some time. The surplus is estimated at 100,000 tonnes, and the surplus is likely to be maintained for some time.

New Mexican coffee chief

Appointment of a new chief of the Mexican Coffee Board has been announced yesterday. The new chief is Mr. Juan Carlos Pineda, who has been appointed to the post for a three-year term. Mr. Pineda is a former director of the Mexican Coffee Board, and he has extensive experience in the coffee industry.

Britain benefits from NZ trade

Robert Muldoon, the New Zealand Minister, has said that New Zealand has benefited from its trade with Britain. He said that New Zealand's exports to Britain have increased significantly in recent years, and that this has helped to boost the New Zealand economy. He also said that New Zealand's imports from Britain have decreased, which has also helped to improve the New Zealand trade balance.

Ministers wait for EEC farm price compromise

THE EEC Commission was expected to present later to-night a set of compromise proposals intended as the basis for the final stages of negotiation in the annual Farm Price Review. But at this stage the prospect of a settlement this week appears more remote than ever. Some member states have already indicated that they intend to break off talks to-night and not resume until May 5.

South Atlantic fishing plea

IF THE British fishing industry was operating in the waters of the South Atlantic it could save the country fishmeal imports which last year were valued at \$1.6m, while at the same time providing large quantities of high-grade fish for human consumption and giving a big boost to the trawler fleet.

Nationalisation of Indian jute industry urged

NATIONALISATION of the Indian jute and jute goods export trade has been urged here by the Committee on Public Undertakings.

Retail meat prices to go up

RETAIL PRICES of meat will go up in the next few days after several weeks without change. Although livestock market prices in general have barely moved in the past two months and wholesale meat prices have been stable, the retail trade claims to have been trading at a loss.

U.S. sugar Bill proposed

A BILL authorising U.S. participation in the International Sugar Agreement and setting up a companion domestic sugar programme has been introduced by Senator Frank Church.

WELSH LAND BANK proposed

A WELSH LAND BANK should be set up to help young farmers, there should be no capital gain tax on lifetime transfers within families of up to 300 acres of farming land, and the formation of a Meat Marketing Board.

Lord Northfield has a job on his hands

LORD NORTHFIELD's commitment which is examining the structure of farm ownership has been meeting farmers up and down the country, as well as taking written evidence from interested parties. I attended one of the last of the meetings, at the Farm Institutions, and was fascinated by Lord Northfield's style and the way in which he conducted the proceedings.

Indian silver export target unchanged

NEW DELHI, April 27. India has set an unchanged export target for silver of 1,000 tonnes for the current fiscal year, which started on April 1, a Government official said.

COMMODITY MARKET REPORTS AND PRICES

Commodity	Unit	Price	Change
Gold	100g	2,100.00	+0.50
Silver	100g	1,100.00	+0.20
Copper	100g	1,500.00	+0.10
Aluminum	100g	1,200.00	+0.10
Iron	100g	1,000.00	+0.10
Steel	100g	1,100.00	+0.10
Wheat	100g	1,200.00	+0.10
Barley	100g	1,100.00	+0.10
Oats	100g	1,000.00	+0.10
Rice	100g	1,100.00	+0.10
Maize	100g	1,000.00	+0.10
Soybeans	100g	1,200.00	+0.10
Cotton	100g	1,100.00	+0.10
Wool	100g	1,000.00	+0.10
Leather	100g	1,100.00	+0.10
Rubber	100g	1,000.00	+0.10
Latex	100g	1,100.00	+0.10
Tea	100g	1,000.00	+0.10
Coffee	100g	1,100.00	+0.10
Sugar	100g	1,200.00	+0.10
Alcohol	100g	1,100.00	+0.10
Gasoline	100g	1,000.00	+0.10
Oil	100g	1,100.00	+0.10
Coal	100g	1,000.00	+0.10
Timber	100g	1,100.00	+0.10
Grain	100g	1,000.00	+0.10
Meat	100g	1,100.00	+0.10
Vegetables	100g	1,000.00	+0.10
Fruit	100g	1,100.00	+0.10
Spices	100g	1,000.00	+0.10
Herbs	100g	1,100.00	+0.10
Flowers	100g	1,000.00	+0.10
Seeds	100g	1,100.00	+0.10
Grains	100g	1,000.00	+0.10
Legumes	100g	1,100.00	+0.10
Oilseeds	100g	1,000.00	+0.10
Grains	100g	1,100.00	+0.10
Legumes	100g	1,000.00	+0.10
Oilseeds	100g	1,100.00	+0.10

PRICE CHANGES

Commodity	Unit	Price	Change
Gold	100g	2,100.00	+0.50
Silver	100g	1,100.00	+0.20
Copper	100g	1,500.00	+0.10
Aluminum	100g	1,200.00	+0.10
Iron	100g	1,000.00	+0.10
Steel	100g	1,100.00	+0.10
Wheat	100g	1,200.00	+0.10
Barley	100g	1,100.00	+0.10
Oats	100g	1,000.00	+0.10
Rice	100g	1,100.00	+0.10
Maize	100g	1,000.00	+0.10
Soybeans	100g	1,200.00	+0.10
Cotton	100g	1,100.00	+0.10
Wool	100g	1,000.00	+0.10
Leather	100g	1,100.00	+0.10
Rubber	100g	1,000.00	+0.10
Latex	100g	1,100.00	+0.10
Tea	100g	1,000.00	+0.10
Coffee	100g	1,100.00	+0.10
Sugar	100g	1,200.00	+0.10
Alcohol	100g	1,100.00	+0.10
Gasoline	100g	1,000.00	+0.10
Oil	100g	1,100.00	+0.10
Coal	100g	1,000.00	+0.10
Timber	100g	1,100.00	+0.10
Grain	100g	1,000.00	+0.10
Meat	100g	1,100.00	+0.10
Vegetables	100g	1,000.00	+0.10
Fruit	100g	1,100.00	+0.10
Spices	100g	1,000.00	+0.10
Herbs	100g	1,100.00	+0.10
Flowers	100g	1,000.00	+0.10
Seeds	100g	1,100.00	+0.10
Grains	100g	1,000.00	+0.10
Legumes	100g	1,100.00	+0.10
Oilseeds	100g	1,000.00	+0.10
Grains	100g	1,100.00	+0.10
Legumes	100g	1,000.00	+0.10
Oilseeds	100g	1,100.00	+0.10

Investing with a Future

Inter Commodities Limited

Commodity Brokers providing a complete service in the Commodity Markets.

To: Inter Commodities Ltd
3 Lloyd Avenue, London EC3N 4DS
Telephone: 01-481 1101

Please send me... copies of "Investing with a Future", price £2.50/\$5.00

Name _____

Address _____

Telephone No _____

EUROPEAN OPTIONS EXCHANGE

Option	Price	Vol.	Open	Close	Settle
Gold	2,100.00	100	2,100.00	2,100.00	2,100.00
Silver	1,100.00	100	1,100.00	1,100.00	1,100.00
Copper	1,500.00	100	1,500.00	1,500.00	1,500.00
Aluminum	1,200.00	100	1,200.00	1,200.00	1,200.00
Iron	1,000.00	100	1,000.00	1,000.00	1,000.00
Steel	1,100.00	100	1,100.00	1,100.00	1,100.00
Wheat	1,200.00	100	1,200.00	1,200.00	1,200.00
Barley	1,100.00	100	1,100.00	1,100.00	1,100.00
Oats	1,000.00	100	1,000.00	1,000.00	1,000.00
Rice	1,100.00	100	1,100.00	1,100.00	1,100.00
Maize	1,000.00	100	1,000.00	1,000.00	1,000.00
Soybeans	1,200.00	100	1,200.00	1,200.00	1,200.00
Cotton	1,100.00	100	1,100.00	1,100.00	1,100.00
Wool	1,000.00	100	1,000.00	1,000.00	1,000.00
Leather	1,100.00	100	1,100.00	1,100.00	1,100.00
Rubber	1,000.00	100	1,000.00	1,000.00	1,000.00
Latex	1,100.00	100	1,100.00	1,100.00	1,100.00
Tea	1,000.00	100	1,000.00	1,000.00	1,000.00
Coffee	1,100.00	100	1,100.00	1,100.00	1,100.00
Sugar	1,200.00	100	1,200.00	1,200.00	1,200.00
Alcohol	1,100.00	100	1,100.00	1,100.00	1,100.00
Gasoline	1,000.00	100	1,000.00	1,000.00	1,000.00
Oil	1,100.00	100	1,100.00	1,100.00	1,100.00
Coal	1,000.00	100	1,000.00	1,000.00	1,000.00
Timber	1,100.00	100	1,100.00	1,100.00	1,100.00
Grain	1,000.00	100	1,000.00	1,000.00	1,000.00
Meat	1,100.00	100	1,100.00	1,100.00	1,100.00
Vegetables	1,000.00	100	1,000.00	1,000.00	1,000.00
Fruit	1,100.00	100	1,100.00	1,100.00	1,100.00
Spices	1,000.00	100	1,000.00	1,000.00	1,000.00
Herbs	1,100.00	100	1,100.00	1,100.00	1,100.00
Flowers	1,000.00	100	1,000.00	1,000.00	1,000.00
Seeds	1,100.00	100	1,100.00	1,100.00	1,100.00
Grains	1,000.00	100	1,000.00	1,000.00	1,000.00
Legumes	1,100.00	100	1,100.00	1,100.00	1,100.00
Oilseeds	1,000.00	100	1,000.00	1,000.00	1,000.00
Grains	1,100.00	100	1,100.00	1,100.00	1,100.00
Legumes	1,000.00	100	1,000.00	1,000.00	1,000.00
Oilseeds	1,100.00	100	1,100.00	1,100.00	1,100.00

U.S. Markets

Precious metals up, sugar steady

PRECIOUS METALS - Gold prices rose sharply on speculation of a price increase by the Federal Reserve. Silver prices also rose, but not as much as gold. Sugar prices were steady.

U.S. rubber research grant

FINANCIAL TIMES

Apr. 28 1978

Index	2,100.00
Gold	2,100.00
Silver	1,100.00
Copper	1,500.00
Aluminum	1,200.00
Iron	1,000.00
Steel	1,100.00
Wheat	1,200.00
Barley	1,100.00
Oats	1,000.00
Rice	1,100.00
Maize	1,000.00
Soybeans	1,200.00
Cotton	1,100.00
Wool	1,000.00
Leather	1,100.00
Rubber	1,000.00
Latex	1,100.00
Tea	1,000.00
Coffee	1,100.00
Sugar	1,200.00
Alcohol	1,100.00
Gasoline	1,000.00
Oil	1,100.00
Coal	1,000.00
Timber	1,100.00
Grain	1,000.00
Meat	1,100.00
Vegetables	1,000.00
Fruit	1,100.00
Spices	1,000.00
Herbs	1,100.00
Flowers	1,000.00
Seeds	1,100.00
Grains	1,000.00
Legumes	1,100.00
Oilseeds	1,000.00
Grains	1,100.00
Legumes	1,000.00
Oilseeds	1,100.00

STOCK EXCHANGE REPORT

Equities good and Gilt-edged recoup earlier losses
Share index up 10 points at 467.8—Golds improve afresh

Account Dealing Dates

First Declara- Last Account
Dealing Date Dealings Day
Apr. 17 Apr. 27 Apr. 28 May 10
May 2 May 11 May 12 May 23
May 15 May 25 May 26 Jun. 7

"New time" dealings may take place from 1.30 a.m. two business days earlier. Equity stock markets took a marked turn for the better yesterday. Trading conditions, however, remained extremely thin and many of the day's gains in both the leaders and secondary issues were accentuated by stock shortages. By way of contrast, the prospects of higher interest rates continued to weigh heavily on the Gilt-edged sector. Nevertheless, after drifting lower on scattered selling, prices of the Funds recovered earlier losses which ranged to 4 in the shorts and to 1 in the longs with final quotations unaltered on balance. The turnaround was helped by late firmness in sterling which prompted some bear closing.

Leading equities quickly responded to a small demand and although buying interest petered out in the afternoon, prices were given a further fillip towards the close on vague talk that dividend limitation would not be continued after July. Up 8.4 at 3 p.m., the FT-Share index improved afresh to close at the day's best with a rise of 10 points at 467.8. Among the index constituents, Vickers rose 7 at 139.7.

Overall firmness in the equity market was reflected in the 7.2 ratio of rises over falls in FT-quoted Industrials and a rise of 0.5 per cent in the FT-Actuaries All-Share index. A more favourable than expected report on Allied Breweries from the Price Commission made for particular firmness in Breweries and the FT-Actuaries index for the sector recorded an above average rise of 3.3 per cent. Official markings of 4.727 compared with 5.110 on Wednesday and 4.993 a week ago.

Late rally in Gilts

Despite continuing uncertainty ahead of today's Minimum Lending Rate decision, British Funds made a decisive rally towards the close yesterday. The recovery movement was stimulated by bear closing following a notable improvement in sterling during the latter part of the day. Short-dated stocks which had drifted lower to losses of 1 at one stage, finished without alteration on the day, while long-dated gilts also recovered overnight levels after having shown falls ranging to 3.

Traded options were featured by heavy turning in Contants, in which appreciable gains were recorded, particularly in the 1000 series; contracts amounted to 249 of the total number of 721, the

biggest in the five-day life of the market. Cons. Gold positions were quieter than on Wednesday, but still notched up 120 contracts, while Grand Met followed with 101.

HPs better

The major clearing Banks improved with the general trend. NatWest rose 7 to 285p and Midland 5 to 355p. Discounts closed firmer in places with Gerard and National up 5 at 175p on further consideration of the results. Allen Harvey and Ross also put on 5 to 355p, and Union appreciated 10 to 305p. Until the previous day on fears of a further rise in interest rates, Hire Purchases rallied with Wagon Finance regaining 3 to 44p and Provident Financial picking up a similar amount to 94p.

Insurance Brokers were notable for a gain of 7 to 180p in Minel following the higher annual earnings. C. E. Heath added 8 to 260p while, among Composites, Sun Alliance closed 5 better at 536p and Royals 5 to 389p.

After having made considerable progress ahead of publication of the Price Commission's report on Allied Breweries, the announcement before closing brought a slight dip in the late trade. Allied finished 4 better at 881p, after 89p, while A. Guinness closed 5 better at 181p, after 185p. Bass Charrington, higher at 159p, after 160p, and Whitbread 2 1/2 firmer at 91p, after 92.

In Buildings, Tarnac came to the fore with a rise of 14 to 151p following good annual results. George Wimpey rose 4 to 76p on annual profits above market expectations. Other leading

Power added 9 to 130p, after 129p on further consideration of the disappointing trading statement. Brown and Jackson moved 3 to 82p on small selling as bid money receded. Elsewhere, Northwest closed unaltered at 88p after the announcement that the company had lost its legal battle to stop a Department of Trade investigation into its affairs.

Leading Chemicals recorded reasonable gains in a sluggish trade. ICI closed 5 higher at 185p, while ICI Chemicals and Plastics continued to reflect satisfaction with the annual results and put on 6 to 71p, but Alkathene eased 2 more

to 248p, while BICC, 118p, and Plessey, 99p, put on 2 apiece. Persistent market buying in a restricted market lifted Electrocomponents 23 to 385p, while Automated Security rose 6 to 86p on the substantially increased earnings. Telephone Rentals closed 3 harder at 123p following Press comment on the results, while BSR, 109p, and Laurence Scott, 118p, rose 5 and 3 respectively.

Engineering leaders contributed to the firm trend. Technical factors left some good gains and helped Vickers close 7 to 139p following the preliminary results which were in line with expectations. John Brown did well at 81p, up 10, and GKN, 273p, and Tubes, 370p, improved 5 and 6 respectively. Useful improvements were also recorded among secondary issues as Amalgamated Power added 9 to 130p, after 129p, in response to the nearly-doubled annual earnings and Belgrave (Blackheath) put on 4 to 40p following good results. Castings were marked up 8 to 364p after hours on news of the bid approach, and M.L. Holdings jumped 17 to 133p on persistent speculative demand in a thin market. Peter Brotherhood revived with a gain

of 7 to 150p and Hopkinson put on 5 to 95p on further consideration of the results.

J. Bibby continued firmly in Foods, rising 5 to 247p for a two-day gain of 16 on continuing speculation about a forthcoming bid. J. Sainsbury closed a penny harder at 170p following news of its joint venture with Crystal Palace Football Club, while Unigate hardened 1 1/2 to 541p and J. B. Eastwood 2 to 91p. In Supermarkets, William Low eased 2 to 96p and Hillards 5 to 190p.

Lionware figured prominently in Hotels and Catering, closing 6 to the good at 195p on the chairman's optimistic statement in the annual report. De Vere Hotels rose 3 to 180p of the increased

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

earnings, while investment demand lifted Trust Houses Forte 4 to 189p.

Misc. leaders good

Technical influences played a major part in bringing about a sharp upturn in the miscellaneous industrial leaders yesterday. A fairly modest demand in a market short of stock helped prices to close at the day's highest. Beecham, 83p, and Glasson, 10p, rose 10 and 11 respectively, while Pilkington gained 7 to 46p and Boots 4 to 205p. A dull market of late following a bearish statement at 3.20p, compared with Monday's prospects, Turner and Newall picked smartly to finish 6 to the good at 172p with the New nil-paid shares ending the same price up at 80p premium. Elsewhere, B. & N. Nathan rose 4 to 50p in response to the better-than-expected results and S. Simpson A hardened 3 to 103p on the higher first-half earnings.

Northern Engineering, also on favourable trading news, added 4 to 100p and Hoover A ended 8 better at 330p despite reporting a set of first-quarter figures which failed to match expectations. Dealings in Carlton Industries were resumed and the shares closed at 180p, 10 higher than

Wednesday morning's suspension price, following details of the surprise deal with Hawker, 3 harder at 202p; parent group London Merchant Securities, at 86p, encountered profit-taking and lost half of the previous day's rise of 14, while the Capital Issues relinquished 6 to 85p. Comment on the record profits induced a good two-way trade in European Ferries which finished 7 higher at 117 1/2p and a rise of 11 to 153p in Fosco Minerals. De L. Rose, 288p, and Campari, 130p, gained 8 and 7 respectively but on disappointment with interim figures, N.Y. Dart fell 6 to 59p.

A resurgence of speculative buying on bid hopes helped Johnson Group appreciate 5 to 96p. Robert McEwan finished 5 harder at 420p; news of the proposed scrip issues came well after market hours.

Although closing slightly below the best, Motors and Kindred issues still showed some resolute gains following a fair trade. Lucas Industries ended 10 higher at 288p, while rises of 3 were seen in Associated Engineering, 118p, and Dunlop, 84p. Rolls-Royce touched a 1978 peak of 91p before closing a like amount up at 90p. Canlys were raised 8 to 118p in a thin market, while Le Service finished 5 harder at 78p.

Dutton-Forsyth 2 better at 49p. Against the trend, Flight Refuelling eased to 110p following preliminary figures in line with expectations.

North Sea oil favourite Thomson stood out in firm Newspapers with a fresh rise of 13 to 248p, while News International revived with a gain of 10 to 340p in Paper/Printings. Mills and Allen added 7 to 182p on small speculative buying and Jefferson Smurfit moved up 5 to 194p in late response to the higher annual profits.

Properties closed on a quietly firm note. Hammonds "A" edged up to 580p in front of today's annual results, while Property Partnerships found more support to close 2 better at 86p for a two-day rise of 9. On the other hand, Chesterfield encountered small selling and shed 5 to 272p. Marler Estates returned from suspension at 37p, compared with Monday's suspension price of 21p, on the conditional agreement whereby Blade Investments is to acquire the Marler equity at 25p per share.

Oils firm again

Oils encountered useful demand encouraged by the overnight strength of Wall Street. British Petroleum closed 16 higher at 800p, after 804p, and Shell rose 8 to 550p. Lasso advanced 11 to 177p while the "Ops" put on 15 to 259p and Tricentral 3 to 183p. National Petroleum rose 2 to 163p, CCA International rose 2 to 160p after 31p following a bid approach from Mr. Travis Ward on the

basis of 28p per Ordinary share for the entire share capital.

Steel Bros. moved into the limelight in Overseas Traders, advancing 29 to 405p on small buying in a restricted market. GIL and Duffus rose 5 more to 240p on further consideration of the results, while renewed speculative interest lifted Jamaica Sugar 2 harder at 16p and J. E. Sanger 5 to the good at 37p. Toxco, Keweenaw, still reflecting recent trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

Stanhope General provided a dull feature at 100p, down 2p, on the announcement that the recent bid talks had been terminated. Other Investment Trusts closed firmly following an improved business. London and Lancashire trading news, hardened 2 to 52p.

FINANCIAL TIMES STOCK INDICES

	Apr. 27	Apr. 28	Apr. 29	Apr. 30	May 1	May 2	May 3
Government Secs.	71.28	71.34	71.47	71.58	71.67	71.85	72.03
Fixed Interest	74.25	74.47	74.79	75.06	75.36	75.68	76.03
Industrial Ordinary	467.2	467.8	468.7	469.4	469.8	470.4	471.0
Gold Mines	146.2	146.4	146.8	147.2	147.6	148.0	148.4
Ord. Div. Yield	8.78	8.87	8.93	8.98	9.01	9.04	9.07
Share Repurchase	17.10	17.46	17.69	17.84	17.94	18.01	18.05
FT-Share Index	467.2	467.8	468.7	469.4	469.8	470.4	471.0
Debt Repurchase	7.28	7.70	7.79	7.76	7.97	7.97	8.1
Debt Repurchase	4.728	5.110	4.944	4.982	4.989	4.996	5.003
Equity turnover	14,098	15,787	16,832	17,278	17,743	18,246	18,746
Equity turnover	14,098	15,787	16,832	17,278	17,743	18,246	18,746

10 a.m. 68.7, 11 a.m. 48.7, Noon 48.2, 1 p.m. 48.5, 2 p.m. 48.1, 3 p.m. 48.1, 4 p.m. 48.1, 5 p.m. 48.1, 6 p.m. 48.1, 7 p.m. 48.1, 8 p.m. 48.1, 9 p.m. 48.1, 10 p.m. 48.1, 11 p.m. 48.1, 12 p.m. 48.1, 1 p.m. 48.1, 2 p.m. 48.1, 3 p.m. 48.1, 4 p.m. 48.1, 5 p.m. 48.1, 6 p.m. 48.1, 7 p.m. 48.1, 8 p.m. 48.1, 9 p.m. 48.1, 10 p.m. 48.1, 11 p.m. 48.1, 12 p.m. 48.1, 1 p.m. 48.1, 2 p.m. 48.1, 3 p.m. 48.1, 4 p.m. 48.1, 5 p.m. 48.1, 6 p.m. 48.1, 7 p.m. 48.1, 8 p.m. 48.1, 9 p.m. 48.1, 10 p.m. 48.1, 11 p.m. 48.1, 12 p.m. 48.1, 1 p.m. 48.1, 2 p.m. 48.1, 3 p.m. 48.1, 4 p.m. 48.1, 5 p.m. 48.1, 6 p.m. 48.1, 7 p.m. 48.1, 8 p.m. 48.1, 9 p.m. 48.1, 10 p.m. 48.1, 11 p.m. 48.1, 12 p.m.

OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

FINANCE, LAND—Continued

CENTRAL AFRICA

Falcon Hk-50c	180	19m	65
Rhod'n Corp. 182-p.	19m		
Boan Cons. 54	65		

Zam.Cpr.5B D024	11 ₂	19
-----------------	-----------------	-------	----

Bougainville 50 Tons	104	
BFI South 50c	74	
Carrying Buol into 50c	216	

Metals Ex. 50c	16	.....
M.I.M. Hld'g. 50c	186	+1
Mount Lyell 25c	23	+1

Oakbridge SA1	149	.....	to
Pacific Copper	34	.....
Pancon'l	975	+50	

Whim Creek 20c	40	+5
----------------	----	----

Ayer Hitam SM	365	+3	368
Berak Tn	51	...	3.
Berjantai SM	255	+5	260

Bongbong	160	+16	
Idris 10p	80x1		7
Jantar 12p	11		

APahang	53	+1	10
Pengkalan 10p	50		6
Bataling 50p	185	+5	100

200th Killee SM1-50	160	+10	10
Sikh Malayan SM1	255	+15	10
Sungei Besi SM1	183	+8	

Tronoh SM	192	+7	20
-----------	-----	----	----

MISCELLANEOUS

No. 14444 LSI	380	-23	
R.T.Z.	200	+1	
Sabina Inds. C51	34		

otherwise indicated, prices and net dividend denominations are 25p. Estimated

Covers are based on "maximum" based on middle prices, are gross, adjusted

denominated securities which include
remun.

since increased or resumed.
since reduced, passed or deferred.
to non-residents on application:

dividend after pending scrip and/or
lates to previous dividend or foreign
Stamp Duty.

dividend; cover on earnings upda
statement.

at a future date. No P/E ratio using a final dividend declaration. price.

cover based on dividend on
on yield, f Flat yield. g Assumed
assumed dividend and yield after

and yield exclude a special payment over relates to previous dividend. P annual earnings. n Forecast dividend

ment Cover does not apply to Special dividend and yield. B Preference dividend Canadian. D Cover and P/E ratios

or other official estimates for 1975-76
prospectus or other official estimate

Figures assumed. U No significant change. Z Dividend total to date. \$4 Yr

Ans: 1) ex dividend; 2) ex capital issue; 3) capital distribution.

is available to every Company
changes throughout the United Kingdom

■

ing is a selection of London quoted
listed only in regional markets. F
of which are not officially list

OF ...	45	.....	Sindall Wm. A.
	23	.....
L 50p	268	.....

dy	65	.....	Alliance Gas
10p	57 ¹ / ₂	....	Arnold
.....	14	....	Carroll (P.J.)

77	Ins. Corp.
145	Irish Ropes
252	Jacob

brick 48 Onigare

OPTIONS

61 ₂	ICI	23	Tube
12	"Imps"	7	Under
	ICI	30	Und D

23	Ladbroke	17	
38	Legal & Gen. ..	14	Propert
15	Lex Service ..	7	Brit L

20	Lonrho	7	Land
13	Lucas Inds.	25	MEPC
5	Lyons	13	Reich

812	N.E.I.	20	Offs
11	Nat West Bank	22	Brit Pe
18	Dr. Warrants	10	

9	Rank Org. 'A'..	18	Uhran
18	Read Intl.	14	Fines

Section of Options Traded is given

INSURANCE

129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148
139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158
149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168
159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178
169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188
179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198
189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208
209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228
219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238
229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248
239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258
249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268
259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278
269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288
279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298
289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308
299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318
309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328
319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338
329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348
339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358
349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368
359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378
369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388
379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398
389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408
399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418
409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428
419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438
429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448
439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458
449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468
459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478
469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488
479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498
489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508
499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518
509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528
519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538
529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548
539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558
549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568
559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578
569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588
579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598
589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608
599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618
609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628
619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638
629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648
639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658
649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668
659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678
669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688
679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698
689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708
699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718
709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728
719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738
729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748
739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758
749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768
759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778
769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788
779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798
789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808
799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818
809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828
819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838
829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848
839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858
849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868
859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878
869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888
879	880	881	882																

